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ISTHMIAN CANAL POLICY QUESTIONS

CANAL ZONE-PANAMA CANAL SOVEREIGNTY

PANAMA CANAL MODERNIZATION

NEW CANAL

SELECTED ADDRESSES

BY

REPRESENTATIVE DANIEL J. FLOOD

OF PENNSYLVANIA



U.S. GOVERNMENT PRINTING OFFICE

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EIGHTY-NINTH CONGRESS OF THE UNITED STATES OF
AMERICA

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the tenth day
of January, one thousand nine hundred and sixty-six*

Concurrent Resolution

Resolved by the House of Representatives (the Senate concurring),
That the document entitled "Isthmian Canal Policy Questions, Canal
Zone—Panama Canal Sovereignty, Panama Canal Modernization
New Canal", a compilation of addresses and remarks by Congressman
Daniel J. Flood, be printed as a House document, and that an addi-
tional ten thousand five hundred copies be printed of which seven
thousand five hundred copies shall be for the use of the House of
Representatives and two thousand five hundred copies shall be for the
use of the Senate.

Attest:

RALPH R. ROBERTS,
Clerk of the House of Representatives.

Attest:

EMERY T. FRAZIER,
Secretary of the Senate.

(II)

FOREWORD

BY HON. JOHN H. DENT, REPRESENTATIVE FROM PENNSYLVANIA

Since World War II the history of the Panama Canal has been marked by a succession of crises as to the best means for providing increased transit facilities. The principal proposals for supplying such capacity are—

(a) Modernization of the existing Panama Canal by increasing its capacity and operational efficiency through the major modification of the 1939 third locks project (53 Stat. 1409) to provide a summit-level terminal lake anchorage in the Pacific end of the canal to correspond with that in the Atlantic end; or

(b) Construction of a new canal near the present site in the Canal Zone of sea level (tidal lock) design; or

(c) Construction of a new canal at Nicaragua or elsewhere.

Consideration of these and other vital questions of the greatest importance has been gravely complicated, as a result of noisy agitations and demands by Panamanian radicals as regards our authority over the Canal Zone and by a series of surrenders to Panama by the United States of important rights, power, and authority. These concessions include those provided by the 1955 treaty and subsequent executive actions, with some of the latter in direct conflict with the formally expressed intent of the Congress.

Understanding the nature of the Panama Canal problem in its broadest aspects, Representative Daniel J. Flood, of Pennsylvania, after thorough study of the subject, undertook in a series of illuminating addresses and statements to the House of Representatives, to clarify the principal issues and to aid in the development of wise and just Isthmian Canal policies by our Government. His addresses, which are extensively documented and based upon years of observation as well as study, are, indeed, unsurpassed in our national history in expository content and value and have attracted the widest attention among thoughtful students of interoceanic canal problems.

Because of the crucial importance of making the information developed in these addresses available, in convenient form, to the legislative and executive branches of our Government and the country at large, the more important ones are included in this document.

A comprehensive bibliography on interoceanic canal history and problems was included in an address to the House on September 2, 1964, by Representative Clark W. Thompson, of Texas, under the title of "Isthmian Canal Policy of the United States—Documentation, 1955-64," which, together with the addresses of Representative Flood previously mentioned, furnishes an exhaustive compilation of resource material on the subject.

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[From the Congressional Record, 85th Cong., 2d sess., Mar. 26, 1958]

PANAMA CANAL ZONE: CONSTITUTIONAL DOMAIN OF THE UNITED STATES

Mr. FLOOD. Mr. Speaker, for a number of years I have been privileged to serve on the Committee on Appropriations with assignments to subcommittees for the Department of Defense, the Department of Commerce, and related agencies. The last includes the Panama Canal Company and the Canal Zone Government.

Thus, in the course of my duties, our subcommittee has encountered various problems relating to the Panama Canal and interoceanic canals generally, both in Washington and during visitations on the isthmus and in other areas of the world. To this study I have devoted much time and effort, and have made a number of statements to the House as well as to its legislative and appropriation committees expressing some very definite views on significant phases of the Panama Canal question.

Since my first association with this subject, I have noted that ever present in the Isthmian setup are the relations between the United States and the Republic of Panama. Though these in the main have been satisfactory, I have also observed that special situations affecting the welfare of the Panama Canal enterprise periodically arise and that, accordingly, they require repeated clarification.

A recent incident in Panama, because of its grave implications, emphasizes that the Congress and the Nation should be informed further with respect to current hazards for this vital outpost of the United States.

What I say here today, I wish to assure our friends in Panama and in all Latin America, will be spoken with the utmost sincerity, good will, and affectionate esteem. I certainly would not advocate any policy except one of the fullest measure of justice and generosity for Panama; and I feel that not only have we been just in our Panamanian relations, but as hereafter shown, most generous, indeed.

However, I do believe that the time has come when extreme and radical demands for the surrender by the United States of all its power and jurisdiction in and about the Panama Canal require a frank expression of views by those in authority in the United States. To this end I venture now to address myself and request that there be no interruptions or questions propounded until I conclude.

CRISES AT SUEZ INTERACT AT PANAMA

Mr. Speaker, the American isthmus is the crossroads of the Americas, and as such has long been a topic for extended debate in the Congress. The statesmen who preceded us here and who early in this century evolved the foundations of our interoceanic canal policies,

have long since passed from the scene. Nevertheless, the great monuments of their endeavors in the form of the completed canal at Panama and the treaties under which it was constructed and has been subsequently maintained and operated still remain—with the exception that certain of the treaty provisions have been generously liberalized in behalf of Panama.

The Panama Canal is not the only great interoceanic waterway; the other is the Suez. Discerning students and writers on canals have long recognized the sympathetic relationship between these two mighty interoceanic links and their mutual variances and influence—an interaction dramatically brought into focus by the nationalization on July 26, 1956, of the Suez Canal by Egypt.

This drastic action at Suez was followed by voluminous propaganda aimed at wresting ownership and control of the Panama Canal from the United States and transferring its jurisdiction to some international or other authority.

Much of that uproar came from Soviet Russia and its satellites, but some came from persons who occupy high office or position in the United States. The latter, wittingly or unwittingly, have fostered what has been a long-term Communist design that dates back to the critical days of the Russian revolution in November 1917.

At that time one of the subjects discussed by the Red guard with John Reed was the internationalization of the Panama Canal. John Reed, as you doubtless know, was a notorious American Communist reporter who covered that great political upheaval and, on his death in 1920, was "canonized" by the Soviets and buried with high Soviet honors in Red Square by the Kremlin wall. And that, Mr. Speaker, was more than 40 years ago—see John Reed, "Ten Days That Shook the World," Modern Library, 1935, page 235.

Regardless of its origin, or the good intentions of some who have supported this sinister aim, their demands conform to the well-known pattern of penetration and subversion featuring the tactics of the international communistic conspiracy. This clamor reached alarming proportions by early 1957 and had to be combated.

EXPOSURE SERVED TO HALT ADVERSE PROPAGANDA

In an address to the House on May 29, 1957, following my last visit to the isthmus, I discussed at considerable length the juridical basis of U.S. ownership and control of the Panama Canal, and its diplomatic history since opening to traffic.

Previous to my address, Representative Brooks Hays, of Arkansas, on May 24, spoke to the House on the same theme and included a panel discussion, by recognized authorities, of the diplomatic angles of the Suez and Panama Canal problems, and their basic differences.

These two addresses, together by their clarifications, served to halt for a time the 1957 adverse propaganda campaign against the United States on this subject, especially in Panama.

Even though the Isthmian uproar subsided, it was realized that under present world conditions the calm could not last indefinitely, for the Suez affair had made too strong an impact on the radical elements in Panama and elsewhere, with a renewal of the Communist

"hue and cry" for the abrogation of U.S. ownership and control of the Panama Canal. The only questions were when and in what form would it next arise.

PROPAGANDA IN PANAMA REVIVED

In a historical sense it did not take long. On December 16, 1957, before the Second Congress of Students in the City of Panama, Republic of Panama, Dr. Ernesto Castillero, Vice Minister of Foreign Relations of the Republic of Panama, in the principal address on that occasion, and in line with Communist declarations and policy, attacked the juridical basis of the U.S. sovereign control over the Canal Zone and its ownership of the Panama Canal. This he did in spite of the negotiation of the Eisenhower-Remon Treaty of 1955 now being implemented.

Featured by gross distortions and omissions, as well as nonfactual statements, the principal features of his address merit listing with brief comment. These are:

First. Assertion that Panama is the "titular sovereign" of the Canal Zone just as Egypt is over the Suez Canal—a gross misstatement of the facts.

Second. Claim that under the 1936 treaty both countries have a "joint and vital interest" in the conduct of the enterprise—a statement erroneously implying joint sovereignty.

Third. Statement that the doctrine of the Suez Canal has analogies applicable at Panama and that this allegation has "impressed strongly world opinion because of the clear warning it involves"—an implied threat against the United States.

Fourth. Declaration that Panama is not receiving the benefits to which, as a partner with the United States in the canal enterprise, it is entitled—a nonfactual statement as Panama, under the treaties, is not a partner but a beneficiary.

Fifth. Assertion that, without going into "legalistic discussions or interpretations of previous treaties," Panama should receive half the gross income of the canal enterprise—a wholly absurd and unjustifiable claim that ignores realities.

Promptly accepted by the university student congress and backed by Aquilino Boyd, Panama's Minister of Foreign Relations, Dr. Castillero's proposals formed the basis of a resolution by that body and were published in the press of the world.

Creating a new wave of propaganda, immediately seized on, reiterated, and augmented by Communist agencies everywhere, this campaign is directed toward the total liquidation of United States sovereignty and control of the Panama Canal.

In this special connection, it is well to note that the proverbial practice of Communist forces is to spearhead subversion in the free world by means of student bodies. As evidence of such procedures, I have in my possession a picture taken on January 28, 1958, at the University of Panama. Mounted in large letters above the name sign of that institution, which is visited by thousands of tourists en route to various parts of the world, is the inscription, "el canal es nuestro"—the canal is ours.

Do not these extremists and radicals in Panama realize that the high economic standards they now enjoy are primarily due to the canal and the beneficent policy of the United States toward Panama? Do they wish to kill the goose that lays the golden egg? Are they trying to cause selection of a site outside Panama for a new canal to take care of ever-growing trans-Isthmian shipping? Do they wish to destroy the best interests of their own country?

These and other searching questions that could be presented suggest that these elements should engage in extensive self-examination before embarking on their present hazardous course. It is indeed surprising, Mr. Speaker, that such troublemakers did not wait until the United States had expended vast sums on modernization of the existing canal and then agitate for taking over a far more valuable project.

ISTHMIAN AGITATIONS WIN WIDE PRESS COVERAGE

In order that accounts of these latest outcries and demands in Panama may be readily available to the Congress, our people, and others concerned, I include to be inserted at the end of my remarks, and commend for careful examination, a selection of clippings from United States, and Latin-American newspapers.

ISTHMIAN HISTORY WELL DOCUMENTED

What is the significance of this incident of December last when high government officials of the Republic of Panama undertook to lead in a movement designed to upset the juridical basis for the Panama Canal enterprise and the equitable relations between the two countries, as well as to ignore and disregard recent treaty provisions? To answer these questions adequately it is essential to know the diplomatic history of the Republic of Panama as well as that of the Panama Canal, the construction of which was under taken by the United States as a mandate of civilization.

These subjects, as shown by an excellent documentation on the Isthmian Canal policy of the United States, prepared by the gentleman from Texas, Representative Clark W. Thompson, and published in the Congressional Record of March 23, 1955, have been recorded in authoritative writings and addresses listed therein. These and many other statements published in later issues of the Record are commended for perusal, especially by those concerned with the diplomatic features of the canal subject.

The situation at Panama has now become acute, and demands our prompt attention. In the light of ascertainable facts the statements by these radical elements indeed constitute pure jingoism and impossible demands. Their rantings do a great disservice both to Panama and the United States and must be met forthrightly before the present crisis worsens.

PANAMA CANAL—RESULT OF LONG-RANGE POLICY OF THE UNITED STATES

Because of the importance of the juridical base for the Panama Canal enterprise, in grasping the essentials of the current situation, I shall emphasize again what I said to the House on May 29, 1957.

The legal foundation of our interoceanic waterway consists of three key treaties:

First. The Hay-Pauncefote Treaty of 1901 between Great Britain and the United States, which facilitated its construction and adopted the main points in the Convention of Constantinople of 1888 as rules for its operation, regulation, and management.

Second. The Hay-Bunau-Varilla Treaty of November 18, 1903, between the Republic of Panama and the United States. On the part of Panama, this treaty granted to the United States in perpetuity the use, occupation, and control of the Canal Zone for the construction, maintenance, operation, sanitation, and protection of the Panama Canal as if the United States were sovereign of the territory, and most significantly, to the entire exclusion of the exercise by the Republic of Panama, of any such sovereign rights, power, or authority. On the part of the United States, the main point was that it guaranteed the independence of the Republic of Panama, which had just seceded from Colombia and whose existence as a separate nation, as will be discussed later, absolutely depended on the United States recognition and success of the canal enterprise.

Third. The Thomson-Urrutia Treaty of April 6, 1914, proclaimed March 30, 1922, between the United States and the Republic of Colombia, the sovereign of the isthmus prior to the Panama revolution of November 3, 1903. That treaty aimed at removal of all the misunderstandings growing out of the political events in Panama in November 1903, restoration of the cordial friendship that had previously existed between Colombia and the United States, and definition and regulation of their rights and interests with respect to the Panama Canal.

The negotiation of these treaties, it should be stressed, was not accidental, but the result of long-range interoceanic canal policies of the United States developed over many years. Not only have the requirements of these treaties been carefully followed throughout the history of the canal enterprise but, in addition, the treaties are now mentioned in Public Law 841, 81st Congress, approved September 26, 1950, popularly known as the Thompson Act. This law specifies that the levy of tolls is subject to their provisions.

COLOMBIA'S INTEREST PROTECTED BY TREATY

Because of the importance of the Thomson-Urrutia Treaty, and the fact that it is not as well understood as it should be, I shall summarize its principal provisions.

In article I, Colombia recognizes the title to the Panama Canal and Panama Railroad as "now vested entirely and absolutely in the United States of America, without any encumbrances or indemnities whatever." Furthermore, this article states that Colombia shall enjoy certain rights with respect to the canal, which include:

First. Transit through the canal of Colombian troops, materials of war, and ships of war, without paying any charges to the United States.

Second. Exemption from any charge or duty on the products of the soil and industry of Colombia passing through the canal, as well as Colombian mails, other than those to which the products and mails of the United States may be subject.

Third. Exemption of Colombian citizens crossing the Canal Zone from every toll, tax, or duty to which the citizens of the United States are not subject.

Fourth. Use of the Panama Railroad or any other railroad substituted therefor, in event of interruption of canal traffic, for the transport of troops, materials of war, products and mails of Colombia, paying only the same charges and duties as are imposed for such transport for the United States. In addition, officers, agents, and employees of the Colombian Government are entitled to passage on the railroad under the same terms as those of the United States.

Fifth. Transport by the Panama Railroad of Colombian coal, petroleum, and sea salt, in event of interruption of canal traffic, free of charge except actual cost of handling and transportation not to exceed one-half the charges levied on similar products of the United States.

In article II, the United States agreed to pay Colombia the sum of \$25 million, which was done.

By article III, Colombia recognized Panama as an independent nation with boundaries as derived from the Colombian law of June 9, 1855, and agreed to conclude with Panama a treaty of peace and friendship to bring about regular diplomatic relations between the two countries. All this was accomplished, together with a treaty agreement between the two countries as to a boundary line.

While Panama was not a party to this treaty, yet she gave it her grateful moral acquiescence because of the supremely important benefits she derived therefrom.

Thus, it is clear that Colombia not only has substantial rights with respect to the Panama Canal, but also a treaty interest in the continued operation of the Panama Railroad, which is binding on the United States. Therefore, the abandonment of the railroad would constitute a violation of such treaty interest—a fact that hitherto has been overlooked or ignored.

PEAK OF UNITED STATES ISTHMIAN INFLUENCE, 1903-39

The Hay-Bunau-Varilla Treaty of 1903, covering the cession by Panama of the Canal Zone to the United States and providing for the construction of the Panama Canal, was negotiated pursuant to the Spooner Act of June 28, 1902, which authorized acquisition and perpetual control of the Canal Zone to construct the Panama Canal and its perpetual maintenance, operation, sanitation, and protection, exclusively by the United States.

From the legislative and diplomatic history of that era, it is abundantly clear that the purpose of both the United States and Panama was to establish and maintain complete sovereignty over the Canal Zone by the United States, not only to assure the construction and proper operation of the canal in perpetuity as was provided in the Spooner Act and the 1903 treaty, but also—and mark this well—to give absolute guarantee that Colombia would never be able to reassert successfully its sovereignty over the Canal Zone, the Panama Canal, the Panama Railroad, or the Republic of Panama. Moreover, as previously stated, Colombia, by the treaty proclaimed in 1922, fully recognized and accepted these conditions.

By such important and significant facts the vast differences between the Suez and Panama Canals are strikingly shown. The fledgling Panama Government of 1903, intensely desirous of securing both life and freedom, found them in these treaty stipulations. Except for the cesarean operation known in history as the Panama Revolution, out of which the independence of Panama resulted, and provisions of the Hay-Bunau-Varilla Treaty, the Republic of Panama could never have survived; in fact, could never have been created. Besides, the United States would never have undertaken construction of the Panama Canal in a region then justly described as "the pesthole of the world" and long characterized as a land of endemic revolution that had repeatedly required the presence of naval vessels to maintain freedom of Isthmian transit.

These points were fully understood at that time by both Panamanian and American leaders. They realized that political stability was imperative for the success of the canal enterprise—its construction, and subsequent maintenance, operation, sanitation, and protection. They also recognized that such stability could be obtained only by vesting completed and exclusive sovereignty in the United States.

The great North American statesman who developed our Isthmian policies included such eminent leaders as President Theodore Roosevelt, John Hay, John Bassett Moore, Adm. John G. Walker, William Howard Taft, and Elihu Root. President Roosevelt always viewed the Panama Canal as the greatest accomplishment of his administration, and comparable in importance to the Louisiana Purchase. In essence, the results of their vision and efforts remained unimpaired until 1939—a period now recognized as the peak of U.S. influence on the Isthmus.

TREATY POWER UNDERMINES U.S. AUTHORITY

With the passing of the years after opening the Panama Canal to traffic on August 15, 1914, increasing demands on the part of the Republic of Panama for revision of major provisions in the treaty structure developed. Not until 1936, however, was the first important step made with the signing of the Hull-Alfaro Treaty, which, because of opposition in the Senate, was not proclaimed until July 27, 1939, just prior to the start of World War II.

The Hull-Alfaro Treaty—unlike the 1903 canal treaty—was negotiated without authorization or direction of the Congress. As understood by realistic observers at the time, it marked a weakening of the dike in the diplomatic setup of the Panama Canal, but without impairment of the fundamental principle of U.S. sovereignty over the Canal Zone and the canal.

To better understand its important provisions, it should be noted that in the 1936 treaty Panamanian leaders sought the abrogation of the guarantee provision of the 1903 treaty because they felt that their country's independence was secure following the 1922 treaty between the United States and Colombia by which Colombia had recognized Panama as an independent nation, and believed that the elimination of the guarantee in the 1903 treaty, which they came to regard as Panama's "Platt amendment," would add to their country's prestige.

While nowise abridging the sovereign authority of the United States over the Canal Zone and canal, the 1936 treaty did surrender important rights and privileges of the United States granted by the 1903 treaty, as for instance, the right of eminent domain for canal purposes within the Republic of Panama, all without any consideration except that of token character. It raised the canal annuity to Panama from \$250,000 to \$430,000 to compensate for reduction of the value of the gold dollar.

The crippling of the accessory powers of the United States, however, did not stop here. After prolonged secret negotiations started in 1953, the process was advanced much further in the Eisenhower-Remon Treaty proclaimed August 26, 1955, also negotiated without the authorization of the Congress.

This treaty gave away additional and most valuable rights and properties of the United States, also with little more than nominal consideration. It further increased the canal annuity from \$430,000 to \$1,930,000. The costs involved in these benefits to Panama will have to be borne either by transit tolls or taxes paid by American citizens, and may well jeopardize proposals for the amortization of the Panama Canal investment.

Certainly, the 1955 treaty was negotiated following long deliberations with the purpose and belief that the provisions would be accepted and relied on by both the United States and Panama for many years to come. Yet, the ink was hardly dry on that document before radical elements in Panama, echoing insistent Communist propaganda, have been, and are making the unrealistic and impossible demands to which I have now called attention.

To illustrate, it is well to note that the demand is being made that the United States pay to Panama one-half the gross revenue derived from the canal enterprise. These revenues during the last fiscal year were \$50,774,000, but the net income was only \$3,821,456, of which the present annuity to Panama of \$1,930,000 is more than half. There is no wonder that the President of Panama promptly characterized this demand as unrealistic.

PANAMA RAILROAD LIQUIDATION NARROWLY AVERTED

Among the most unhappy features of the 1955 Canal Treaty was the surrender to Panama by the United States of valuable Panama Railroad property in the cities of Panama and Colon, including the terminal freight yards and passenger stations worth many millions, but excepting tracks in Colon required by switching for the Cristobal piers. Not only that, the treaty even contemplated abandonment of the railroad itself, which had been acquired by the United States pursuant to both law and treaty, with adequate compensation. Moreover, this move was made with complete disregard of the treaty rights of Colombia as to the railroad.

Apprised of the situation, congressional leaders intervened. Under the able direction of the distinguished Chairman of the Committee on Merchant Marine and Fisheries, Representative Herbert C. Bonner of North Carolina, pursuant to House Resolution 118, 84th Congress, that committee conducted an independent inquiry into the railroad situation and submitted recommendations reversing those of the supervisory executive agency of the United States, the directorate of

the Panama Canal Company, to liquidate the railroad. An account of this inquiry will be found in House Report No. 2974, 84th Congress. The resulting reversal, by the Congress, of the decision of the directorate, and the continuance of the railroad, was fully justified: as has also been the subsequent operation of the railroad.

The wise action of the Congress in these premises, however, was too late to save the tremendously important and valuable terminal facilities of this historic and strategic rail line.

Where does this leave us? Now, because there is no provision for replacement, we are going to have a transisthmian railroad without its originally designed and adequate terminal stations and yards. Unless Panama sells back these facilities to us—of course, at a tremendous price—new ones may well have to be constructed at our own expense.

Can you imagine, Mr. Speaker, anything more absurd, or more ominous for the future proper conduct of our Isthmian policies? With all the capable men of broad experience in this Nation available, as was well illustrated by the railroad inquiry, why can they not be used in such situations to protect the legitimate interests of the United States and those of Panama and Colombia as well?

To say the least, our Department of State was asleep at the switch.

CANAL ZONE IS CONSTITUTIONAL TERRITORY OF THE UNITED STATES

The main lesson to be derived from the sustained surrenders of our Isthmian rights and prerogatives, all necessary for the proper maintenance, operation, sanitation, and protection of the canal, extends beyond the limits of the Canal Zone and reaches into the very foundation of our constitutional form of Government.

As previously set forth, the acquisition of the Canal Zone and Panama Railroad was accomplished pursuant to the Spooner Act of 1902 and the 1903 Canal Treaty, with adequate compensation accorded. The Panama Canal was constructed and has been subsequently managed pursuant to laws enacted by the Congress. Thus, the full force of our Government system is implied in the evolution of our basic Isthmian Canal policies.

Long recognized by some of our great statesmen as part of the "coast line of the United States," the Panama Canal has deeper significance of far-reaching character.

The Panama Canal Zone, Mr. Speaker, is not an occupied territory, as was once erroneously reported to the United Nations by our Department of State—see Senate hearings on interlocking subversion in Government departments, part 19, March 25, 1954, page 1364. Instead, it is a portion of the constitutionally acquired territory of the United States.

Of course, if for any reason the United States should wholly abandon the canal enterprise, it would not likely wish to retain any interest or sovereignty over the Canal Zone. In such case, Panama could doubtless repossess the zone area without objection. Hence, from a practical, realistic standpoint, what purpose can these continued demands for recognition of Panama's "titular sovereignty" serve except that of creating unjustifiable friction between the United States and Panama?

Unfortunately, the surrenders culminating in the treaty arrangement still being implemented—though they have not abrogated or subtracted from our rights of sovereignty—have violated the clear intentions of the Congress and represent a threat to our national power. Certainly, the time has come when every Member of the Congress should realize what has happened: That, in large measure, we have given away our bargaining power in dealing with the Republic of Panama in regard to one of our most vital national possessions.

As has been clearly shown by numerous press and individual reports from the isthmus, the instant situation is acute. Its proper resolution will require statesmanship of the highest order on the part of both the United States and Panama. This statesmanship, it is respectfully urged, should recognize the basic elements that enter the isthmian problem and not ignore them.

At this point, Mr. Speaker, I wish to emphasize that this tragic policy of appeasement and giveaway did not originate with the present administration, but was inherited. This fact, however, should not prevent this administration, or any that follows, from taking proper action to safeguard our national interests now and in the future. This, I would respectfully submit, will be best for ourselves, best for Panama, and best for the world at large.

ISTHMIAN HISTORY MUST BE RESTATED

What is the explanation for this strange course of events? Many could be advanced, but of them the most telling is the gross ignorance of isthmian history that has developed since acquisition of the Canal Zone in 1904 and starting construction.

New generations, both in the United States and Panama, have simply gotten away from historical facts that underlie our isthmian policies. Nor do they realize that the Republic of Panama grew out of the canal enterprise and not the canal project out of Panama.

When pondering these somber thoughts we must concentrate on how to restore just and realistic thinking. In my opinion, we shall never regain our bargaining power with Panama until there is a complete, fearless, and widespread restatement of some cold, hard facts of history and a reappraisal of them. This is the only way whereby we can produce men on both sides of the bargaining table who can fairly evaluate the respective rights, obligations, and responsibilities involved.

Meanwhile, our colleges and universities and writers of this hemisphere should delve into the subject from available sources and spread the story of the great waterway, of which the creation of the Republic of Panama was but a single, though important episode. In this, Mr. Speaker, the press can render a great service, and again I invite attention to the documentation on Isthmian Canal policy prepared by Representative Thompson of Texas to be found in the Record of March 23, 1955.

NO SUEZ AT PANAMA

The December 16 incident was no ordinary matter. Fostered by radical elements, some high up in the Government of Panama, and conforming to the program of the international Communist conspiracy, it seems aimed at lining up the nations of Latin America in support of Panama as was done among the Arab nations in support

of Egypt. In that light, it represents an issue that the great countries of this hemisphere and their leaders must eventually face, for they well know what the results would be should such a movement ever materialize.

The combined exercises of U.S. Armed Forces in the isthmian area, April 21-27, 1957, which were observed by the representatives of 20 countries of this hemisphere, eloquently served to emphasize that no Suez crisis will be permitted on the American isthmus.

With this feeling, I have every reason to believe that our friends to the south will wholeheartedly join. Surely every consideration for their own self-preservation at this critical time of penetration and subversion requires such a commonsense attitude.

NATIONALISTIC AGITATION AT PANAMA INVOLVES SERIOUS DANGERS

Mr. Speaker, notwithstanding the headlines of the press, the United States has many friends among the people of Panama. To them I would suggest that demands emanating from their midst for nationalization of the Panama Canal or confiscation of its receipts, instead of making a case for Panama, are actually spreading the fires for internationalization—the long-range Communist dream.

Such internationalization both Panama and the United States would oppose. However, if brought about, how would Panama fare when subordinated to an international body as compared to the benefits derived from the country that fostered its birth? The answer is obvious.

A further point concerning the current agitation at Panama with its increased demands is the effect it must have on the Congress and the people of the United States to give fuller consideration to the subject of an alternate isthmian canal. This, as a matter of fact, is now being studied under the direction of the Committee on Merchant Marine and Fisheries.

Another observation about the situation at Panama concerns its relations with Colombia. If Panama, by sustained diplomatic maneuvering, can seriously weaken the treaty structure and secure abrogation by the United States of its key provisions, Colombia can do likewise. Then, because of the absence of any guarantee of Panamanian independence, what would be the outcome?

This would depend on what policy the United States might adopt, which no one can foresee. Certainly, our Nation cannot afford to accept grave responsibilities in the absence of adequate authority. To state the matter candidly, Panama, through securing abrogation by the United States of its guarantee of Panamanian independence, has succeeded in removing the greatest legal barrier to its eventual reabsorption by Colombia.

Also, may I ask, because of the abrogation of treaty provisions guaranteeing the independence of Panama, what would be the result if the United States should surrender all its power and authority as to the Panama Canal and Canal Zone? Would revolutionary practices immediately spring up in Panama as they did before U.S. occupation of the Canal Zone? And would Colombia reassert her former sovereignty? In the light of history, what is the answer? How the Communist world would revel in such a situation and how they would strive to exploit it.

Certainly the Panama Canal problem is so complex in character and so far reaching in its ramifications and consequences that it behooves

all those in authority in the United States and Panama to think through every question presented before reaching conclusions and making decisions. This, in recent years, has not been done.

CONGRESS SHOULD ACT NOW

In view of all the elements that enter into the present Isthmian picture, the American people pose some telling questions: Why has our Department of State pursued its purblind policy of extreme concession and appeasement in dealing with canal crises over a period of many years? Why does it remain silent now, thus giving color to the radical demands of the extremists in Panama? Why does it not take a vigorous stand for the legitimate rights of our country, the exercise of which—I repeat—is best not only for the United States, Panama, and Latin America, but also for the entire world, and especially the maritime nations with vessels that transit the canal and have to pay tolls?

The more the Department of State procrastinates, the more important it is for the Congress, which is the ultimate authority, to make its own declaration of policy in the premises, to state clearly that there will be no further changes in the basic canal treaty, and that it is not going to stand for further liquidations of U.S. power and authority in and about the Panama Canal. Every legal and moral consideration, and the necessities for stability, demands that this be done.

To these ends, I urge prompt passage of House Concurrent Resolution 205 of the present Congress, the text of which follows:

Whereas there is now being strongly urged in certain quarters of the world the surrender, by the United States, without reimbursement of the Panama Canal, to the United Nations or to some other international organization for the ownership and operation of the canal; and

Whereas the United States, at the expense of its taxpayers and under, and fully relying on, treaty agreements, constructed the canal, and since its completion, at large expenditure, has maintained and operated it and provided for its protection and defense; and

Whereas the United States, following the construction of the canal, has since maintained, operated, and protected it in strict conformity with treaty requirements and agreements, and has thus made it free, without restriction or qualification, for the shipping of the entire world; and in consequence of which, with respect to the canal and the Canal Zone, every just and equitable consideration favors the continuance of the United States in the exercise of all the rights and authority by treaty provided, and in the discharge of the duties by treaty imposed: Now, therefore, be it

Resolved by the House of Representatives (The Senate concurring), That (1) it is the sense and judgment of the Congress of the United States should not, in any wise, surrender to any government or authority its jurisdiction over, and control of the Canal Zone, and its ownership, control, management, maintenance, operation, and protection of the Panama Canal, in accordance with existing treaty provisions; and that (2) it is to the best interests—not only of the United States, but, as well, of all nations and peoples—that all the powers, duties, authority, and obligations of the United States in the premises be continued in accordance with existing treaty provisions.

[From the Panama (Republic of Panama) Star and Herald of Dec. 17, 1957]

PANAMA OFFICIAL FORESEES 50-50 ARRANGEMENT WITH UNITED STATES OVER CANAL

A new arrangement between Panama and the United States under which the two countries would share the income of the Panama Canal

is foreseen by Panama's Vice Minister of Foreign Relations, Ernest Castillero.

Speaking before a student congress yesterday, Dr. Castillero said the enforcement of the Remón-Eisenhower treaty is proving that "that treaty is far from being the ideal solution" of the differences between the two countries.

Castillero, a student leader in his university days, delivered the principal address at the adjournment session of the II Special Congress of Students.

He devoted a large part of his address to a review of the achievements of the student movement since 1943, when it came to the fore in Panama's national life. The closing portion was devoted to foreign affairs, and specifically to the Panama-United States relations.

He said, in part:

In November 1956, on the occasion of the United Nations General Assembly's debate on the Suez Canal crisis, the Foreign Minister certified before the entire world that the Panama Canal is built on Panamanian territory, that Panama is the titular sovereign of the Panama Canal Zone, just as Egypt is over the Suez Canal, and that it has granted to the United States of America only the rights, power, and authority necessary for the specific purposes of the maintenance, sanitation, operation, and protection of the canal, an enterprise in which as stipulated in the treaty of 1936, both countries have a joint and vital interest. Likewise, he set forth there, for enforcement at a future time which is not foreseeable now, the doctrine that the Suez Canal has analogies of various types with the Panama Canal, a statement which while rejected by the United States, has impressed strongly the world's opinion because of the clear warning it involves.

In these circumstances, there is special significance to the complaint, supported daily by new facts, that our country is not receiving the benefits to which we in fairness are entitled as partners, with the United States, in the canal enterprise.

Inasmuch as the enforcement of the Remón-Eisenhower treaty is showing that that treaty is far from being the ideal solution for these differences, it would not be strange if strength should be gained by a trend of opinion which maintains that Panama must arrive at an arrangement with the United States to receive half the income of the canal, without going into legalistic discussions or interpretations of previous treaties.

The Remón-Eisenhower treaty was signed in 1955.

[From the Panama (Republic of Panama) Star and Herald of Dec. 19, 1957]

PROPOSAL ON CANAL SAID "UNREALISTIC"

President Ernesto de la Guardia, Jr., feels that the idea of a 50-50 split of the Panama Canal's income with the United States is "not too realistic."

He indicated that since operating expenses and tolls are determined by the United States, Panama then would run the risk of getting nothing if the canal operations failed to show a profit.

Vice Minister of Foreign Affairs Ernesto Castillero, addressing a student meeting suggested such an arrangement for the future, saying that the present treaty is far from being the ideal solution to Panama-United States differences over the waterway. He referred to a split not of profits, but of income.

The presidential press office authorized the following statement in behalf of President de la Guardia.

The idea, in my opinion, is not too realistic, inasmuch as operating expenses of the canal being established in the Canal Zone and tolls being fixed by the Congress of the United States, we would run the risk that the operation of the waterway would leave nothing.

Even now we are striving for better salaries for Panamanian employees in the Canal Zone and it cannot escape anyone that a salary increase is an additional expenditure that would necessarily affect the earnings from the canal traffic.

After Vice Minister Castellero's address, the National Student Congress approved a resolution calling on the President and the Foreign Minister to undertake negotiations with the United States for sharing the canal's income.

In Washington some State Department officials appeared surprised at Castellero's statement, pointing out that a new treaty increasing the canal annuity from \$430,000 to \$1,930,000 was worked out in 1955.

[From the Panama (Republic of Panama) American of Dec. 23, 1957]

REPUBLIC OF PANAMA STUDENTS WANT CANAL NATIONALIZED

The Panama Students Federation (FEP) made it clear today that the nationalization of the Panama Canal is the ultimate aim of Panama students and the people.

A communique issued by FEP President Andres E. Castillo and Press Secretary Humberto A. Brugiati said negotiations aimed at getting Panama a 50 percent share of the revenues derived from Panama Canal tolls is only their immediate aim.

The communique further stated that the FEP would continue to fight for a revision of existing Panama-United States treaties until "our glorious national emblem flies with all its sovereign majesty over the Panama Canal."

Today's communique was the aftermath of a resolution approved by an FEP congress, asking the President and the Foreign Minister to negotiate a 50-50 division of Panama Canal income.

The resolution was presented and approved immediately after a closing address by Deputy Foreign Minister Ernesto Castellero, a former student leader, who said he would not be surprised if a trend toward negotiating a 50 percent share in canal profits should gain force.

The idea was later branded as unrealistic by a spokesman for President Ernesto de la Guardia, Jr.

[From the Washington Evening Star of Dec. 30, 1957]

PANAMA RAISES OUTCRY FOR BIGGER TOLL SHARE

(By Marshall Bannell)

PANAMA CITY, PANAMA, December 30.—An outcry has again started in Panama for an increase in the annual income received by the Republic from the United States for use of the Panama Canal area.

At present Panama receives \$1,930,000 per year from the United States. This is more than double the amount paid annually 2 years ago and was agreed upon in a treaty signed by President Eisenhower and the then President of Panama, Jose Antonio Remon.

This increase in payments has not prevented further demands, however. Deputy Foreign Minister Ernesto Castillero recently, in a speech before a university student congress, demanded that the United States pay Panama 50 percent of the gross income from Panama Canal tolls. His proposal was promptly drafted into a resolution and passed by the student organization.

Canal tolls bring in well over \$50 million per year and this would mean that, under Mr. Castillero's proposal, Panama would collect more than \$25 million. There was no suggestion by the Deputy Foreign Minister that Panama should foot any of the canal expenses nor finance the present defense organization by the U.S. Air Force, Army, and Navy.

Panamanian officials complain that the Republic receives less than 4 percent of the total income from canal tolls. The U.S. answer, however, is that while gross income from canal tolls was \$88,677,449 in 1956 (highest in peacetime history), the net income after paying operating expenses was \$4,179,464. And, they add, there were no charges made for the large defense forces maintained in the Canal Zone by the U.S. military services. The latter costs are classified information.

Even Panama's conservative President, Ernesto de La Guardia, agrees that a 50-50 split of the gross income from the Panama Canal is unrealistic and has said so publicly. But his words have not stilled nationalistic elements in Panama.

What concerns many serious-minded Panamanians and United States officials is that Panama, to use their own words, "may be cutting its own throat" through the continual nationalistic blasts at the United States.

They point out that early in December 1957 a subcommittee of the House Merchant Marine Committee, headed by Representative Leonor Sullivan, Democrat, of Missouri, visited Panama and held public hearings in connection with the Panama Canal operations. One of the things they learned was that the Panama Canal is fast reaching its capacity and that either the present canal will have to be expanded or a new, sea level canal constructed. Either will be a multi-billion-dollar project.

No report will be made by the subcommittee until next spring. However, the members took time to visit several sites that have been proposed for the construction of a new sea-level canal. Their interest centered, according to Representative John J. Allen, Republican, of California, on a route through Nicaragua. The United States holds perpetual rights to construct a canal through that country if and when a new one is needed.

So far, Gov. W. E. Potter, who heads the Panama Canal Company, the wholly U.S. Government-owned organization that operates the Panama Canal, has made no public comment on the clamor here for increased income for the Republic of Panama from the canal.

But many observers forecast that when the Board of Directors of the Panama Canal Company meet here late in January, the issue may be brought up and a statement issued. However, observers here point out that any change in the present status of payments to Panama for the use of the 10-mile-wide, 40-mile-long strip of land will have to be approved by the U.S. Congress.

[From the Washington Daily News of Jan. 6, 1958]

NEW PANAMA CANAL NATIONALIZATION DRIVE ON

(By Edward Tomlinson)

The Government and the public in this country should get ready for an all-out hemispherewide campaign for nationalization of the Panama Canal.

High U.S. officials here in Washington don't like to talk about it. But the idea has been snowballing in the minds of Panamanian politicians and nationalists every since Abdel Nasser took Suez and got away with it.

PLAN FIGHT

Now, the university students, who always have spearheaded anti-U.S. sentiments in the Isthmian Republic, have organized to fight until "our glorious flag flies in triumph over the Canal Zone."

The students have received the tacit blessing of the Panamanian Foreign Ministry, as well as outstanding leaders of the country including the majority of living former Presidents.

Efforts to wrest complete control of the vital waterway from the Yankees in nothing new, of course. Back in the 1930's an organization for the internationalization of the canal flourished. The leaders of the movement said the big ditch should belong to all nations. It was abandoned after the Roosevelt administration agreed to a number of revisions of the treaty in favor of Panama in 1936.

Another wave of nationalism swept the country after World War II, and anti-U.S. demonstrations become so violent that our military forces abandoned all wartime bases throughout the Republic. In 1954 widespread demands for more treaty revisions were made.

As a result, in 1955, we upped the annuity from \$450,000 to \$1,930,000, turned over vast amounts of Canal Zone property to the Government of Panama and made many other concessions in addition.

Leaders of the campaign bluntly say that ultimate nationalization does not preclude demands for more and more treaty revisions in the meantime. Among immediate additional demands already being whooped up, is an equal division of canal revenues.

DIVISION NOTE

Note they want the revenues divided equally, not just the income. Nothing is said in the new propaganda about taking out expenses and other huge costs of operating, maintaining, and protecting the colossal enterprise. The 1957 annuity amounts to more than half of the net income of \$3,821,456.

Let no one think this campaign can be shrugged off, because Panama is a tiny, weak country. Egypt also is a tiny weak country. But backed by the whole Arab world in its Suez venture, it became a formidable power to be reckoned with. The Panamanians count on tremendous support from other Latin American nations.

[From the Christian Science Monitor of Jan. 18, 1958]

PANAMA FACTION BIDS FOR CANAL REVENUE

(By Ralph K. Skinner)

PANAMA CITY, PANAMA.—What amounts to a national campaign for a 50-50 share in the gross revenue of the Panama Canal is being conducted by powerful groups in Panama.

The drive criticizes the United States for never having given Panama a fair share in the enterprise in which they claim they are partners.

The campaign, well financed and skillfully directed, gets prominent attention in newspapers here.

It is causing difficulties to Panama's capable President de la Guardia who is endeavoring to improve the already harmonious relations with the United States.

Observers see two major reasons behind this campaign. First, a few rich individuals and politicians are afraid that in a period of political calm like the present the scrupulous De la Guardia administration might investigate their private empires and take away some of their privileges.

ANTI-UNITED STATES AGITATION

Their aim is to use the press and radio to so stir up the people that they will agitate against the United States, demanding concessions impossible of attainment. This puts pressure on the President to comply with the demands of the Panama people. Thus, this reasoning goes, Senor de la Guardia has not the time to investigate activities of the instigators of this stratagem.

Also, this same pressure for impossible demands against Washington may tend to damage the President's good contacts with the U.S. Government.

Rumblings in the press, quoting utterances of ambitious officials, would seem to indicate that Panama ardently wants either nationalization or internationalization of the Panama Canal.

Neither is correct. The last possibility just does not exist. There never will be internationalization of the great waterway if Panama can prevent it, this correspondent has been assured. Local sentiment is summed up in a statement in a local paper which said that Panama does not need more people eating at its table.

Briefly, every dollar coming in would be welcomed, but no sharing of any largesse is contemplated.

LACK NEEDED KNOW-HOW

And what about nationalization? There is no doubt that Panamanians would welcome eagerly the canal's income and the flattering sense of possession of such a valuable property. But, individually and nationally, they shudder at the thought of trying to operate it. They do not have the know-how. Neither do they want the responsibility.

So all the hullaballo about internationalization or nationalization is seen to be solely for political or economic reasons—either to hamper the present administration in Panama or to pressure the United States into more handout benefits to this country which claims partnership status in the Panama Canal.

Setting off current agitation in Panama was a statement made to a university student group by Dr. Ernesto Castillero P., Deputy Minister of Foreign Relations. He said Panamanians should aspire to a 50-50 share of the revenue of the Panama Canal.

It appears that either Dr. Castillero made the statement for applause value or because he had been asked to include it in his talk. Certainly, it became clear he had not given it much thought because when asked if he referred to the gross or the net revenue of the Panama Canal, he did not know. Finally, he said he was referring to the gross (\$50,774,000 for the last fiscal year).

PLAYED UP IN PRESS

The Castillero statement was headlined in the press, some papers playing up the idea of getting more money from the United States, which currently pays \$1,930,000 to Panama as an annuity well as millions of dollars in salaries to Panamanian workers and more millions in purchases from Panama.

Immediately, Senor de la Guardia pointed out that such a suggestion was unreal. A businessman, the President knew that giving away half the gross revenue of the canal would not leave funds for the necessary salaries and expenses. While the President considered the proposal analytically, many of the people in the street considered it emotionally in terms of getting something for nothing.

Almost immediately, however, the Minister of Foreign Relations, young, attractive Aquilino Boyd, announced he backed Dr. Castillero's statement.

This sassing the President is understandable only because Senor Boyd is young, impetuous, and aspires to be President himself in 1960. This was his bid for the nationalistic vote in the future elections.

POLITICAL WEAPON

It is recalled that Senor Boyd also participated in the university roundtable conference on interoceanic canals last spring in Panama City. Reportedly, this conference was organized to embarrass the United States by having foreign nations declare its treatment of Panama "unfair." The conference backfired and was a fiasco.

A recent article typical of certain anti-U.S. statements says the Foreign Minister and Deputy Foreign Minister reflected the "just and legitimate aspirations" of the Panamanian people. The writer added that these two officials have said publicly what the people of Panama have been thinking for years.

The article ends with incendiary statement that, although the author is anti-Communist, he would be ready to organize and head a Communist Party here if by so doing Panama would get justice for its claims.

[From the Americas Daily, Miami Springs, Fla., Jan. 1, 1958]

UNITED STATES NOT CONCERNED ABOUT PROPOSAL OF PANAMA'S STUDENTS

WASHINGTON, December 31.—U.S. officials have refused to comment on the proposal of the National Student Congress of Panama that Panama be given half of the gross revenue from the Canal Zone.

Officials pointed out that the United States and Panama renegotiated their treaty in 1955 and both sides appeared to be satisfied with the provisions. Under the revised treaty Panama's annual share of the net profits of the canal was set at \$1,930,000.

Under the proposed plan Panama's share during the fiscal year 1957 would have been \$25,387,249.

A spokesman for President Ernesto de la Guardia, Jr., described the proposal as "unrealistic." He said that since the Canal Zone Government establishes the costs of operation and the U.S. Congress sets the transit tolls, "we could be faced with a situation whereby the operation of the canal produced nothing."

The spokesman pointed out that Panama was seeking better wages for Panama citizens working in the Canal Zone.

[From the Americas Daily, Miami Springs, Fla., Jan. 29, 1958]

PANAMA TIRED OF TREATMENT AS JUNIOR PARTNER, ARIAS DECLARES— UNITED STATES-PANAMA WORKERS SHOULD GET SAME PAY

NEW ORLEANS, January 28.—A former Panama President said his nation is tired of being treated like a junior partner in the Panama Canal project.

Ricardo H. Arias, now Panama's Ambassador to the United States, said "Panama has not gotten the benefit it should have from the canal." He was here today to address the Mississippi Valley World Trade Conference.

"After all, it is a partnership arrangement; we provided the land, and the United States the know-how to dig the canal. But Panamanian workers, toiling side by side with workers from the United States, doing identical jobs, got less money than those from the United States," said Arias.

Arias said he hoped Congress would equalize the pay of United States and Panamanian workers in the Canal Zone. Such a bill passed the Senate last year, but died in the House.

Arias said an equalization of pay would help quash the feeling among Panamanian students that the canal should be nationalized. He said he did not think talk of nationalization would hurt the bill's chances in Congress.

"You cannot tell a man doing the same job as the next fellow that he's going to get less pay," Arias said. "Panama is tired of being treated like a junior partner."

Arias served as President of Panama until 1956. He said he doubted the United States would dig a canal through Nicaragua because of dissatisfaction with the Panama situation.

[From the Scripps-Howard newspapers]

PANAMA STEPS UP DRIVE TO TAKE OVER THE CANAL

(By Edward Tomlinson)

PANAMA CITY, February.—Nationalist politicians and the press are calling for "equal partnership in the operation of the Panama Canal," while several well-organized groups are demanding outright nationalization.

Newspaper editorials, columns, and special articles flail away at Uncle Sam for "humiliating treatment" of Panama. El Dia refers to the "United States-dominated canal" as "that imperialistic enterprise."

University students, always the tools or dupes of political agitators, rant against "North American desecration of our national integrity." A huge banner on the university grounds facing the main highway leading from the airport proclaims that "The canal is ours."

Significantly this catch phrase is much like the Brazilian Communist slogan. "The oil is ours," aimed at U.S. oil companies operating in Brazil.

Canal treaty revisions made by the Eisenhower administration in 1955 have brought numerous financial and economic benefits to Panama. The yearly payment was raised from \$450,000 to \$1,930,000. We returned to Panama \$25 million worth of real estate in Colon and Panama City. Panamanian citizens working in the Canal Zone are now required to trade in Panamanian stores instead of the zone commissaries. But the newspaper La Nacion still call it "the fraudulent treaty."

A columnist in the same paper says January 25, the anniversary of the signing of the document, "should be declared a day of national mourning."

Many of the newspapers do not even acknowledge the legality of the Panama Canal Company, the U.S. Government agency that operates the waterway. An editorial page column in La Estrella, the most important newspaper in the country, calls on the Government of Panama not to deal with the Company on the grounds that "it is not a juridical body."

The Panama Government officially is behind this campaign. The Under Secretary of Foreign Affairs, Ernesto Casillero, has called for a 50-50 sharing of the canal revenue. Not the profits, mind you. The present annuity already amounts to more than half the annual net profits. He wants half the gross revenue, and no sharing of the expenses of operation.

The campaign is being stepped up to enlist the sympathy and support of other Latin American countries. The University of Panama is staging an international seminar of hemisphere economists to consider the scope of the treaty.

Some newspapers go so far as to suggest that Panama should re-establish diplomatic and trade relations with Moscow. Says one columnist: "If Panama should resume diplomatic and trade ties with Russia, we would get sputniks, tractors, and machinery. Along with

every machine would come a Russian technician, and every technician would be a Communist."

In short, "If the Yankees won't turn the canal over to us, let's go Communist."

PANAMANIAN JINGOISTS IGNORE FACTS OF HISTORY

Mr. Speaker, the extreme lamentations in the various outcries from the isthmus cannot remain unchallenged. All the world should know that Panama emerged as a sovereign nation under the protection of the United States, and that under this sponsorship it has grown and prospered, as was clearly foreseen by the founding fathers of that Republic.

In the field of international relations it has been signally honored. Its statesmen have been members of important international commissions. Its flag now flies on hundreds of merchant vessels in various waters of the world.

Under these circumstances, Mr. Speaker, it is high time to ask if the reckless demagogues and jingoists of Panama are going to cast down the ladder whereby their country rose to independence and eminence, or will the better judgment of its more thoughtful citizens, who are mindful of historic facts, prevail?

[From the Congressional Record, 85th Cong., 2d sess., June 9, 1958]

PANAMA CANAL—LATEST DEVELOPMENTS

Mr. Flood. Mr. Speaker, almost 2 years ago a meeting of the Presidents of the American nations at Panama City, Republic of Panama, July 21-22, 1956, attracted world attention on the Isthmus of Panama and the great canal project on which the economic well-being of the Republic of Panama largely depends. While public interest was thus focused toward the West, events of far greater significance were in the making in the Near East.

Four days later, on July 26, what till then had been considered a geopolitical impossibility occurred—the nationalization by Egypt of the Suez Canal. Officially indorsed by the Government of Panama, this seizure of the Suez Canal started a chain of events affecting the Panama Canal that has never ended, a situation that I have watched closely.

Though I addressed the House at considerable length on March 26 and April 2, 1958, on the vitally important question of sovereignty over the Canal Zone and Panama Canal, subsequent and most tragic events recently occurring on the isthmus together with statements of Panamanian leaders, now dramatized by the bitter experiences of the Vice President of the United States during his visits in Latin America in early May, impel me to address the House further on this key element in our Isthmian Canal policy.

RECENT ISTHMIAN REACTIONS TO THE SOVEREIGNTY QUESTION

What are the events on the isthmus following my April 2 address that first attracted world attention?

The first occurred on April 3, when the Liberal Party of Panama, in order to put President Ernesto de la Guardia, Jr., "on the spot," announced plans for a petition to the Government of Panama asking for rights to explore for oil and minerals in the Canal Zone. When requested to comment on this demand, I stated that such questions were legal and I hoped that constituted Panamanian authorities would know how to deal with them.

A second event was the publication in the *Estrella de Panama* on April 18, 1958, of a statement by Senor Don H. D. Aleman, Jr., chairman of the foreign relations committee of the National Assembly of Panama. Some of its most significant points are summarized:

First. Revealed that Panama now has in preparation a "White Book" to present to world opinion its views on the sovereignty question.

Second. Stated that Panama would be ready at any time to submit this question to proper international courts for settlement.

Third. Demand a larger share in toll receipts of the Panama Canal.

Fourth. Quoted an April 18, 1906, statement by former Secretary of War William H. Taft out of historical context in justification of Panamanian views on the Canal Zone sovereignty question.

AMBASSADOR ARIAS HIGHLY CRITICAL OF U.S. GOVERNMENT

A third episode occurring in the United States was a major political address by Senor Don Ricardo M. Arias E., Ambassador of Panama to the United States, on April 29, 1958, at the Edmund A. Walsh School of Foreign Service of Georgetown University in this city. A grandnephew of Tomas Arias, one of the founding fathers of the Republic of Panama who, on December 4, 1903, signed the Panamanian certification of the Hay-Bunau-Varilla Treaty, Ambassador Arias should be well acquainted with isthmian history. I have the address of Ambassador Arias, which was placed in the Record of May 28 by Representative Adam Clayton Powell, Jr., of New York. Its text, I assume, is correct.

While Ambassador Arias' Georgetown University address contains much that is historically valid, it also features many statements and interpretations that certainly can be challenged. However, since a detailed analysis would be too lengthy for our purposes today, I must limit myself to key points.

In line with the lead from Señor Aleman at Panama, Ambassador Arias likewise took up the sovereignty question and made this significant revelation:

The foreign policy of my country during the last 50 years has been to exert every effort in order to obtain at least for Panama conditions similar to those granted by the United States to Colombia in January 1903.

For this objective, he added:

I am sure that in the end Panama will attain her purposes.

Highly critical of the U.S. Government to which he attributed bad faith, the address went far beyond an objective historical discussion of the foreign policy of the country to which he is accredited. Thus, I must question the propriety of its delivery in our midst for propaganda purposes. For the present, however, I shall only call attention thereto with this comment: if conditions were reversed and the U.S. Ambassador to Panama had made a similar public utterance critical of Panama, his recall would have been demanded immediately by the Panamanian Government.

CRISIS AT PANAMA CLEARLY FORESEEN

That events on the isthmus were heading toward some incident affecting the efficient operation of the Panama Canal has long been evident. In early March of this year, I warned proper authority of this possibility, specifically mentioning that radical Panamanians might attempt to raise their flag in the Canal Zone. Also in my address to the House on April 2, I emphasized that we should not wait until some tragic incident occurs to spur us to action.

Now, Mr. Speaker, was I unduly apprehensive of the situation so extensively presented and documented in my two addresses? Far from it. Subsequent developments on the isthmus, which are now re-

vealed in the light of tragic experiences of the Vice President in Lima and Caracas as parts of well-planned campaigns against the United States and for the overthrow of constitutional government in Panama, have already occurred; and the end, I fear, is not yet.

PANAMANIAN FLAG-RAISING INCIDENT IN CANAL ZONE

In a carefully organized raid into Canal Zone on May 2, 1958, called "Operation Sovereignty," Panamanian University students planted 72 Panamanian flags at various locations, including 1 in front of the canal administration building—an eventuality that I foresaw and had sought to prevent by timely notice.

It is significant to note that the raid of flag planters was accompanied by Panamanian newspaper photographers who took pictures of some of the flag raisings, which were published in Panama with reproductions in other countries. Though it appears that some of these highly provocative incidents were witnessed by Canal Zone police, it is indeed strange that no arrests or detentions were made for these breaches of the peace and the trespassers were allowed to leave the Canal Zone without obstruction.

This flag-planting demonstration, Mr. Speaker, was not a simple matter that can be dismissed as mere student pranks or enthusiasms. Instead, it was a calculated move in worldwide psychological warfare of communistic pattern against the United States. It promptly received extensive coverage in Latin America and also in the Soviet press. No doubt it will be exploited to the maximum advantage of those seeking to wrest control of the canal enterprise from the United States.

The only action taken by Canal Zone police was to collect the flags and give them to Panamanian officials who returned them to the students. Had the conditions of the flag-raising incident been in reverse order, with North Americans invading the Republic of Panama as participants in such provocations, authorities of Panama would have dealt with them with the utmost vigor.

SIGNIFICANCE OF FLAG-RAISING INCIDENT RECOGNIZED IN UNITED STATES

The significance of the flag-raising incident in the Canal Zone, so well covered in the press, was instantly recognized in the United States. The Panama Canal Society of Washington, D.C., composed of surviving builders and others long associated with the canal enterprise, members of the Armed Forces and Foreign Service who have seen duty on the isthmus and know its problems and dangers at first hand, took prompt action.

On the occasion of its 23d annual meeting in the Nation's Capital on May 10, 1958, the society in a notable program devoted to a discussion of the administration of the Panama Canal under the Reorganization Act of 1950—Thompson act—adopted resolutions that strongly reinforce the views I have repeatedly stressed as to what should be done by the Congress with respect to the present situation at Panama.

The resolution follows:

RESOLUTIONS OF THE PANAMA CANAL SOCIETY OF WASHINGTON, D.C., RE HOUSE
CONCURRENT RESOLUTION 205

Whereas at the 23d annual meeting of the Panama Canal Society of Washington, D.C., held on May 10, 1957, it adopted by unanimous vote, resolutions declaring that the Congress should, by formal action, reaffirm the long established and practiced policy of the United States in holding that it exercises complete and exclusive sovereignty over the Panama Canal and the Canal Zone, in perpetuity, under solemn treaty provisions, for the maintenance and operation of the canal and the government of the zone; and

Whereas there was introduced in the House June 6, 1957, by Congressman Daniel J. Flood, of Pennsylvania, House Concurrent Resolution 205 providing "That (1) it is the sense and judgment of the Congress that the United States should not, in any wise, surrender to any other government or authority its jurisdiction over, and control of, the Canal Zone, and its ownership control, management, maintenance, operation, and protection of the Panama Canal, in accordance with existing treaty provisions; and that (2) it is to the best interests—not only of the United States—but, as well, of all nations and peoples—that all the powers, duties, authority, and obligations of the United States be continued in accordance with existing treaty provisions"; and

Whereas recent unfortunate and highly provocative incidents occurring in Panama and the Canal Zone, furnish added and imperative reasons for the adoption of the indicated House concurrent resolution: Be it therefore

Resolved by the Panama Canal Society of Washington, D.C., at its 23d annual meeting held in Washington, D.C., May 10, 1958, as follows:

1. That it respectfully urges upon the Congress the wisdom and grave importance of adopting House Concurrent Resolution 205 as early as may be possible.

2. That copies of these resolutions of the Society be furnished to the Congress, the press, and other Panama Canal societies.

DISORDERS SPREAD TO TERMINAL CITIES

The Isthmian disorders, however, did not stop with the flag-raising demonstration in the Canal Zone. On the evening of May 5, university students, emboldened by their flag-raising triumph in the Canal Zone, marched on the presidential palace in Panama City to demand the taking of immediate steps in behalf of Panamanian sovereignty. It was on this occasion that President Ernesto de la Guardia, Jr., yielding to their demands, announced his intention to ask that the Panamanian flag fly over the Canal Zone.

In this connection, it should be noted that of the flags returned from the Canal Zone 59 were carried by the students to the palace. It is indeed unfortunate that the Government of Panama apparently followed the lead of radical and heedless students in the formulation of its foreign policy with respect to the canal.

Encouraged by what appeared to them as a further victory, the radical elements in Panama promptly turned their guns on their own Government. Amidst scenes of wild disorder Panamanian students marched on the palace demanding dismissal of the Minister or Education and improvement of education facilities in public schools. Serious rioting in Panama City broke out on May 20, and spread to Colon the next day.

After 6 days of street fighting and bloodshed, requiring use of the National Guard, President de la Guardia claimed a decisive victory in suppressing the uprising that he considered had aimed at overthrowing his government. He also stated that though not implicated in the beginning of these troubles, Communist leaders and fellow travelers had taken part.

These scenes of political turmoil, in which many were killed and more wounded, Mr. Speaker, took place in the Panamanian terminal cities of the Panama Canal, almost within a stone's throw of the canal itself. That this state of disorder is a continuing process is shown by the fact that at this moment in Panama City there are immured in the National University, which has some strange immunity, some 500 students besieged by the Panamanian National Guard.

These situations justify and emphasize once again the wisdom of the framers of the Hay-Bunau-Varilla Treaty, which had granted to the United States the right and authority to maintain public order in the cities of Panama and Colon and adjacent areas—a right which, at the instance of Panama, has been subsequently abrogated through treaty provisions.

SECRETARY HAY OUTLINES U.S. POLICY, 1904

Let us now return to the question of sovereignty raised by both Chairman Aleman and Ambassador Arias, which has been so effectively propagandized by the flag raiders in the Canal Zone. It is nothing new. Instead, it is merely the "zombi" of an old issue that has been periodically dragged out of its tomb. However, because these officials have brought it up, I feel that it is incumbent on someone to set the record straight with materials that they ignored or overlooked.

In a note dated May 25, 1904, from Secretary of Government Thomas Arias, one of the revolutionary junta of 1903, addressed to Gov. George W. Davis of the Canal Zone, Secretary Arias made the following statement:

The Government of the Republic of Panama considers that upon the exchange of ratifications of the treaty for opening an interoceanic canal across the Isthmus of Panama its jurisdiction ceased over the zone.

Although the earliest American officials were scrupulous in complying with treaty provisions, the Republic of Panama was only a few months old when its leaders, following the note of Secretary Arias, presented the sovereignty question to U.S. officials. In a comprehensive reply to the Panamanian Government on October 24, 1904, that is still classic—*Foreign Relations, 1904*, pages 613-630—Secretary of State Hay asserted that "the great object to be accomplished by the treaty is to enable the United States to construct the canal by the expenditure of public funds of the United States—funds created by the collection of taxes" and that "the position of the United States is that the words 'for the construction, maintenance, operation, sanitation, and protection of the said canal' were not intended as a limitation on the grant, but are a declaration of the inducement prompting the Republic of Panama to make the grant"—of the Canal Zone to the United States in perpetuity.

Though Secretary Hay mentioned the term "titular sovereign of the Canal Zone," he declared that such sovereign is "mediatized by its own acts, solemnly declared and publicly proclaimed by treaty stipulations, induced by a desire to make possible the completion of a great work which will confer inestimable benefit on the people of the isthmus and the nations of the world." He stated that it was difficult to conceive of a country contemplating the abandonment of such a "high and

honorable a position, in order to engage in an endeavor to secure what at best is a 'barren scepter.'"

SECRETARY TAFT EMPHASIZES U.S. ISTHMIAN POLICY, 1905-06

Later, on April 18, 1906, when testifying before the Senate Committee on Inter-oceanic Canals—hearings, volume III, page 2527—Secretary of War Taft, when commenting on article III of the Hay-Bunau-Varilla Treaty, stated:

It is peculiar in not conferring sovereignty directly upon the United States, but in giving to the United States the powers which it would have if it were sovereign. This gives rise to the obvious implication that a mere titular sovereignty is reserved in the Panamanian Government. Now, I agree that to the Anglo-Saxon mind a titular sovereignty is like what Governor Allen, of Ohio, once characterized as a barren ideal, but to the Spanish or Latin mind poetic and sentimental, enjoying the intellectual refinements, and dwelling much on names and forms it is by no means unimportant.

Prior to that, on January 12, 1905, Secretary Taft, when discussing the question of jurisdiction in a report to President Theodore Roosevelt, wrote:

The truth is that while we have all the attributes of sovereignty necessary in the construction, maintenance, and protection of the canal, the very form in which these attributes are conferred in the treaty seems to preserve the titular sovereignty over the Canal Zone in the Republic of Panama, and as we have conceded to us complete judicial and police power and control over the zone and the two ports at the end of the canal, I can see no reason for creating a resentment on the part of the people of the isthmus by quarreling over that which is dear to them but which to us is of no real moment whatever (hearings before Senate Committee on Inter-oceanic Canals, 1907, vol. III, p. 2399).

This was a courteous effort of Secretary Taft to sooth the sensibilities of our Panamanian friends but never with the thought or purpose of surrendering the actual, necessary, and exclusive sovereignty of the United States over the Canal Zone and Panama Canal as clearly provided by the 1903 treaty, and as has been interpreted, asserted, and maintained by the United States through all the years of canal history. Certainly, Mr. Taft, as Secretary of War and President of the United States, never directly or indirectly urged or practiced any departure from the well-established policy of the United States with respect to its complete and exclusive sovereignty over the Canal Zone and the Panama Canal.

SECRETARY HUGHES REINFORCES OUR POSITION, 1923

When the subject of sovereignty in the Canal Zone came up again in discussions with Dr. Ricardo J. Alfaro, Minister of Panama to the United States, Secretary of State Charles Evans Hughes, on October 15, 1923, stated:

The grant to the United States of all the rights, power, and authority which it would possess if it were sovereign of the territory described, and to the entire exclusion of the exercise by Panama of any such sovereignty, is conclusive upon the question you raise. The position of this Government upon this point was clearly and definitely set forth in the note of Mr. Hay to Mr. de Obaldia of October 24, 1904. (Foreign Relations, 1923, vol. II.)

Secretary Hughes reiterated this stand on December 15, 1923, in a conversation with Dr. Alfaro, declaring with a refreshing degree of

candor that the U.S. Government "would never recede from the position which it had taken in the note of Secretary Hay in 1904. This Government could not and would not enter into any discussion affecting its full right to deal with the Canal Zone under article III of the treaty of 1903 as if it were sovereign of the Canal Zone and to the entire exclusion of any sovereign rights or authority on the part of Panama"—Foreign Relations, 1923, volume III, page 684.

Moreover, Secretary Hughes added:

It was an absolute futility for the Panamanian Government to expect any American administration, no matter what it was, any President or any Secretary of State, ever to surrender any part of these rights which the United States had acquired under the treaty of 1903.

To this I would add the comment that it would be unthinkable for the present day responsible authorities of the United States to take a contrary position.

PANAMA: A "RESIDUARY" LEGATEE

In my address to the House on March 26, 1958, I described the Canal Zone as constitutionally acquired territory of the United States, which description was derived from a copious documentation and canal history. It is pertinent here to stress again that the framers of the 1903 canal treaty, both of Panama and the United States, knew what they were doing.

The grant of the Canal Zone for canal purposes was made in perpetuity. Thus it is most significant that the 1903 treaty provided that annuities were to be paid only "during the life of this convention," which could be modified or changed. The treaty also contained provisions for a change in status of the Republic of Panama through its "union or confederation" with other states. Thus, the Panama Canal setup was created for all time and all contingencies.

In the light of the perspective that is now possible what is left for Panama in connection with its claim of "titular sovereignty," which has been variously described by Secretaries of State as an "absolute futility," a "barren ideality," and a "barren scepter"? At best that country is a mere residuary legatee with justifiable claims for the Canal Zone only in the event of the United States ceasing to maintain and operate the Panama Canal. In such case, as I have stated heretofore, the United States would not raise any objection to Panamanian re-assumption of the indicated sovereignty.

On this phase of the case I would submit that if the United States should ever abandon the Panama Canal it would indeed be a sad day for all nations, and especially for Panama. In such event the whole world would come tumbling down to envelop and destroy the Panamanian Republic.

Meanwhile, as set forth in my March 26, 1958, address, the Canal Zone remains as part of the constitutionally acquired domain of the United States.

RED PLOTS WELL PLANNED

Mr. Speaker, the international communistic conspiracy does not operate blindfolded. Instead, it thinks and it plans in terms of generations and makes its moves with ruthless calculation. The series of in-

cidents from the flag-raising in the Canal Zone on May 2, on through the assaults on the Vice President at Caracas on May 13, and the serious disorders in Panama, May 19-21, 1958, cannot be viewed as isolated occurrences, for they are alike and have the same common denominator. All were perpetrated by so-called university students, all had trained leaders, and all were executed with the ruthless skill and precision characteristic of the Red pattern.

Of these disorders, those affecting the operation of the Panama Canal, though less publicized, have the greatest significance. The aim has been to drive the United States from the Isthmus of Panama; and if this should fail then to utilize the canal for the purpose of fanning to flame anti-American feeling throughout Latin America.

The time for our Nation to make its position clear is long overdue. The trend of events over a long period makes our course unmistakable. Every day that passes stresses the urgency for a strong policy declaration by the Congress that there will be no further changes in the basic canal treaty setup and that the United States is not going to stand for further liquidations of its power and authority in and about the Canal Zone. Temporization on the subject helps neither Panama nor the United States.

To protect our interests in the current situation with respect to the Panama Canal, we have adequate legal means under solemn treaty obligations.

TREATYMAKING REQUIRES INFORMED NEGOTIATORS

In view of the attitude evidenced by certain Panamanian officials and provocative actions by radical elements using Panama as a sanctuary for hostile propaganda against the United States, will not searching queries naturally arise in the minds of American taxpayers concerning our relations with Panama? Will they not ask why should our tax money be used to finance such a tropical luxury as a \$23 million proposed toll-free bridge at Balboa, replacing adequate free ferry service? Will they not also ask why they should bear the cost of ceding to Panama, without adequate consideration or provision for alternative facilities, of the terminal yards and passenger stations of the Panama Railroad? Will they not inquire into why the Hotel Washington in Colon should be given to Panama without compensation or replacement? Of course, they will ask these embarrassing questions about our conduct of Isthmian affairs, and many more.

Obviously, the present situation is not a sudden development. As shown in my previous addresses it goes back to the Hull-Alfaro Treaty of 1936—a treaty negotiated about the same time that the United States recognized Soviet Russia.

Featured by a serious weakening of U.S. rights and authority in the Isthmian area but without changing the fundamental provisions for the perpetual grant of the Canal Zone for canal purposes, the process of erosion was advanced in the 1955 treaty.

While the explanations of this deteriorating situation are complex, an examination of available records discloses that Panamanian negotiators overmatch United States negotiators. The Panamanians were far better informed and the Americans appear to have been uninformed professional appeasers.

CONGRESS SHOULD ACT PROMPTLY

As shown by extensive records that from time to time I have detailed to the House the Isthmian area is a region that has been long featured by partisan and mercurial politics. It would be utterly futile to attempt to operate the Panama Canal with efficiency and in keeping with treaty obligations should such activities be permitted to invade the Canal Zone, as was clearly foreseen by the authors of the 1903 treaty, both in Panama and in the United States. They drafted the treaty to guard against such intolerable conditions as we have recently witnessed in the Canal Zone and in the terminal cities. Only by freedom from political considerations of any country can stability in the Canal Zone be guaranteed.

To that end, I urge with all the force at my command the prompt passage of House Concurrent Resolution 205 of the present Congress.

In order that the Congress and the people of the United States may have some of the documentation on which my remarks are based, I quote a selection of news stories from Panamanian, Latin American, and United States newspapers, as follows:

[From the Panama American of May 2, 1958]

STUDENTS PLANT 50 REPUBLIC OF PANAMA FLAGS IN CANAL ZONE—
RAID DESIGNED TO REAFFIRM SOVEREIGNTY

Panamanian university students, launching Operation Sovereignty, claim to have planted about 50 Panamanian flags on the Canal Zone today.

The Students' Union issued a communique saying the students were instructed not to violate any Canal Zone traffic rules, not to enter military reservations, and to respect the United States flag.

The communique described the raid as a symbolic act aimed at reaffirming Panamanian sovereignty over the Canal Zone, and calling to national and international attention problems between Panama and the United States concerning the canal.

None of the students was picked up by the Zone police.

An official spokesman said the Panamanian foreign office was "considering the delicate situation" which the students had created.

Canal Zone officials had no comment.

Canal Zonians in general took the whole affair as a joke.

Places in which the flags were planted included the Canal Zone side of the Fourth of July, the Prado, the Thatcher Ferry, and in front of the Administration Building.

The flag in front of the Administration Building was planted by a group of five students traveling in an automobile.

In full view of the building's astonished white-collar workers they tried to plant one flag firmly in the center of the grass circle by the main door.

The mast of the students' flag broke, but they managed to stick the stump into the turf before taking off at speed.

The Canal Zone cop on duty at the building walked over calmly, respectfully folded the flag, and took it into his police booth.

In other places the students placed the flags so insecurely that they fell to the ground. American observers, mindful of the manner in

which the Stars and Stripes are never permitted to touch the ground, commented that the students did not seem to have much patriotic respect for their own flag.

Students Union President Carlos Arellano Lennox, in a manifesto to the people of Panama, declared that statements by Congressmen and certain organizations in the United States have revealed an intention to establish a U.S. colony or protectorate in the Zone.

The manifesto said that Operation Sovereignty was intended to demonstrate the feeling of Panamanian students in favor of a fundamental revision of the treaties between the United States and Panama. Such a revision would seek to realize Panama's rights and demands.

[From the Panama Star and Herald of May 3, 1958]

REPUBLIC OF PANAMA FLAG PLANTED IN CANAL ZONE BY STUDENTS IN SURPRISE MOVE

The Panamanian flag was planted in the Canal Zone by Panama University students yesterday morning in a well-planned surprise operation that created what the foreign office termed a "delicate situation."

Thirty-nine flags were removed by the Canal Zone police from various spots in Ancon and Balboa. A student spokesman said 72 flags were used in the operation and indicated the same banners were planted in spots not readily visible to police.

The incident brought immediate diplomatic repercussions. Robert Aclý, Counsellor of the U.S. Embassy in Panama, called on Foreign Minister Aquilino Boyd at noon yesterday. There was no announcement if a formal protest was lodged.

An embassy spokesman said: "The embassy is awaiting a full report from the Governor's office in the Canal Zone. In the meantime, we are watching the situation with interest. There will be no further comment pending the receipt of the report."

The Panama Foreign Office said:

The Foreign Office is considering the delicate situation which has developed as a result of the symbolic act which took place this morning when a group of youths belonging to the Union of University Students of Panama raised the Panamanian flag in the Canal Zone.

A Panama Canal spokesman said: "The action is ridiculous and not worthy of official notice."

There was official concern that the incident might be followed by new demonstrations within the Canal Zone that could result in violence.

The operation, named Operation Sovereignty in a University Students Union announcement, was carried out at 10:15 a.m.

Groups of students—handpicked for the operation—were posted at the sites which had been chosen for the flag-planting. At 10:15 a.m. (their watches had been synchornized prior to the operation) each group moved to its assigned post, planted the flags and left.

Their instructions were to offer no resistance in the event of arrest, to keep away from military reservations and not to run. (All of the men participating in the operation) (some young women took part

also) were required to wear coats, in order not to give the impression that vagrants were involved.

At least two of the groups were accompanied by photographers alerted just before the operation was carried out.

Simultaneously with the planting of the flags, other university student teams were calling at 10:15 a.m. at the Presidential Palace, the Foreign Office, the office of the dean of the university and the office of the Foreign Affairs Committee of the National Assembly to report that the operation was being carried out. Another group of students rode up Central Avenue in cars, carrying the Panamanian flag.

Carlos Arellano Lennox, president of the university union, spoke over a local radio station, announcing that the operation had just been carried out.

The first report of what was happening came from the Administration Building. At 10:15 a.m., four men walked to the center of the grass circle in front of the Administration Building, planted the Panamanian flag which was on a wooden staff 7 feet long (the staff broke on the first try) and then posed by the flag while a fifth man took their picture with the Administration Building in the background.

The group then went back to an unidentified automobile and left via Heights Road. (Zone police said the men ran; a member of the student group said they walked.)

The flag planted in front of the building was of good quality cloth and measured 3 by 5 feet.

The other flags were made of cheesecloth and measured 12 by 18 inches. Under each flag was a blue triangular pennant with the initials UEN (Union de Estudiantes Universitarios) in white.

Zone police reported that other flags were planted as follows: 10 on La Boca Road, 1 in front of the Balboa Service Center, 9 along the Balboa Prado, 3 in the Ancon residential area, 6 on Frangipani Street, 4 near the Tivoli Guest House, 3 on Fourth of July Avenue in front of the district court building, and 1 in front of the Civil Affairs Building.

There were reports of other banners planted at the Chinese garden near Corozal and on the main thoroughfare in Cocoli and near Rodman.

All of the flags were removed and taken to the Balboa police station.

No arrests were made, although in some instances the demonstrators could have been detained. Authorities said the demonstrators, if arrested, could have been charged with disturbing the peace.

Immediately after the incident, zone police set up a reinforced patrol along the Panama City-Canal Zone boundary line.

Student President Arellano Lennox said last night the movement was not anti-American, pro-Communist or connected with any political organization. It was a strictly student move, he emphasized, aimed at bringing to the attention of the people of the United States the juridical situation in the Canal Zone.

Arellano Lennox pointed out that in Spain and Japan—the former a neutral in the last war and the latter an enemy country—the flags of those nations fly at American bases in the two countries; yet Panama, which has been the United States ally, is denied the right to fly its flag in its own territory in the Canal Zone.

Arellano Lennox, who is an instructor in a private Catholic school in Panama, said the operation was aimed to show that while Panama

is a weak country, there is a vigilant youth ready to affirm Panama's rights whenever necessary. He reiterated the students' demand that Panama receive a fair share of benefits from the Panama Canal. (In a formal statement earlier, the University Students Union reaffirmed its goal for a fundamental revision of the Panama Canal treaties.)

The student president pointed out that students went into the Canal Zone not to haul down any flags, but to plant the Panamanian flag.

[From the Christian Science Monitor, of May 3, 1958]

PANAMA ADVISER AIRS VIEWS

(By Ralph K. Skinner)

PANAMA CITY, PANAMA.—Diogenes de la Rosa, top economic adviser to President de la Guardia of Panama, has frequently been termed, "the leading Marxist intellectual in Latin America."

Apprehension has been expressed here and abroad about the influence of Señor de la Rosa on the President's thinking and resultant decisions.

Asked concerning his Marxist beliefs, Señor de la Rosa answered, "I am a Marxist but not an orthodox Marxist. I don't accept the whole system. I believe it represents a good method to study the social phenomenon but it is not for me a dogma."

One matter on which Señor de la Rosa is especially vehement is that he is not a Communist. Asked if communism as practiced in the Soviet Union would be beneficial for Panama, he replied, "Absolutely not, I do not believe communism meets the basic problem in human needs. It does not do so in Russia and it would not do so in Panama. Technologically and economically, communism accomplishes much. But the Russian man does not live better because of communism."

Señor de la Rosa added that he did not believe that complete acceptance of Marxism would be beneficial to the people of Panama.

POWERS EXCEED POST

Officially, Diogenes de la Rosa is Executive Director of the National Economic Council of Panama, reporting directly to the President. But he is more than this. He assists President de la Guardia in the preparation of major speeches and determination of policy.

He said:

I gather the facts and assemble the information and the President writes the speeches. I also draft laws and executive decrees. I make investigations for the President in everything but political matters. I do not mix in politics at all.

The adviser revealed that the President uses him as go-between and mediator between the executive power and certain groups. For example, he acted as go-between enabling President de la Guardia to make a special, unannounced arrangement with the student federation at Panama University aimed at keeping the students under control.

Those who oppose Señor de la Rosa's important post contend that the President must make decisions based often on facts submitted by his adviser and that these facts may contain some imparta-

tion of Señor de la Rosa's saturation for 30 years in certain Marxist philosophies.

ACCUSATIONS RESENTED

President de la Guardia resents the accusations against his adviser and the insinuations that his thinking is guided by Señor de la Rosa.

Nevertheless, it is known that the President is cognizant of the Marxist background of de la Rosa and, privately, does not deny it; that the President considers Señor de la Rosa's value to him as an adviser far outweighs the negative aspects, and that the President considers himself capable of straining out any possible interpolations in de la Rosa-prepared reports and drafts.

It is rumored that within the President's own cabinet and elsewhere, some question the chief executive's ability to distinguish between his own conclusions and those of Señor de la Rosa. Of course, part of this may be attributed to the strong jealousy here of Señor de la Rosa's unquestioned influence with the President.

Señor de la Rosa's official representation of the Panama Government abroad has been protested by groups in Panama. He is presently attending an economic council in Guatemala. Of this he said:

There is a considerable plan for an integration of the economy of the Central American countries, and, in my opinion, Panama must cooperate in this integration.

AFFILIATION DENIED

The presidential adviser said that there is no organization of Marxists in Panama; he has never been affiliated with the Communist Party; and he has had no political affiliation since 1948 when he left the Socialist Party in which he had been a leader.

For the record Señor de la Rosa has served as adviser to several Latin-American presidents and has traveled widely in this area. He is a prolific writer.

Señor de la Rosa said he is part of the generation that brought student revolution throughout Latin America in the years 1918 to 1925. He spoke of the Soviet revolution of 1917 as being an instructor for his generation, and added, "Everywhere I go in Latin America today, I find ready contacts with the people of my generation because we all share the same ideas."

The people of the United States do not realize it, but they lack the "simpatía" of the Panama people, according to Señor de la Rosa. He said this was very dangerous because such "simpatía" is essential to the proper defense of the Panama Canal. He repeated that "There is no 'simpatía' for the United States in the Republic of Panama."

DANGER CITED

The presidential adviser was asked if this lack of "simpatía" meant that the Panamanian people might undertake to aid an enemy of the United States in time of war. Señor de la Rosa answered, "That is exactly what I mean and it is very dangerous."

Commenting further on United States-Panama relations, he added

All the people of Panama feel a great resentment toward the United States. We have the impression that the United States does not wish to comply with its promises made in the 1936 and 1955 Treaties. The Panamanians don't believe that the United States keeps its promises to Panama.

Señor de la Rosa, who considers himself an objective observer of the United States, spoke of United States failure to get close to the people of Latin America. He said the United States is losing the battle for public opinion in Latin America because it lacks a psychological penetration into the consciousness of the Latin-American countries.

Señor de la Rosa is sometimes accused of being pro-Soviet and anti-America. Asked about this, he replied:

That is not so. I am an enemy of the Soviet. I am not unfriendly to the United States. I criticize and oppose certain policies of the United States. I consider certain of these policies detrimental to the interests of my country and to all of Latin America. But I am not a foe of the United States.

He indicated that the policies he opposed were economic. He said he strongly believed that the United States was restraining trade in Latin America.

ECONOMIC AID SOUGHT

Señor de la Rosa says he believes the United States should give more economic aid to Latin America, and less military equipment.

Panama's present problem, he said, is the need to create an economy. He says, "To me, that means we need capitalism and not socialism. Socialism cannot solve the problem now and capital is needed. However, with capital I am seeking far better salaries for laborers and a raising of the standard of living. This adds up to a progressive capitalism."

Getting this capital is not easy. Native Panama investors will not put their money in low-return farming and betterment projects and low-cost housing, he said. Señor de la Rosa stated that the state would have to provide the funds for agricultural aid, educational aid, improved sanitation, and public health, more and better roads, and the like. But the state lacks funds.

A foreign loan is being contemplated at the present time. The sum of \$30 million at this time would meet Panama's pressing needs and permit great progress to be made, the financial adviser considers.

The highly publicized demands of certain Panama politicians for 50 percent of the revenues of the Panama Canal, and other such fanciful proposals, do not arouse much interest in Señor de la Rosa.

What he would like to see is a definite program by the United States to aid Panama with a stated sum of money each year for several years. This would enable setting up programs to accomplish some lasting good, Señor de la Rosa told this correspondent, and added that he has a plan for it if the funds are forthcoming.

[From the Washington Evening Star of May 6, 1958]

PANAMA SEEKS TO FLY HER FLAG OVER CANAL

PANAMA, May 6.—President Ernesto De La Guardia, Jr., says he is going to ask the United States at once to let the Panamanian flag fly over the Canal Zone.

The President sent that word out last night to a student demonstration demanding that Panama reassert its sovereignty rights over the

Canal Zone. The United States operates the waterway and controls the zone 5 miles wide on each side of it under a perpetual lease.

About 100 students marched on the presidential palace carrying 59 of the Panamanian flags they had planted at various points in the Canal Zone Friday in what they called "Operation Sovereignty." Canal Zone authorities returned the flags to the Panamanian government.

[From the Panama Star and Herald of May 6, 1958]

PANAMA WILL MOVE FOR FLAG TO FLY IN ZONE—PRESIDENT GIVES WORD AT STUDENT DEMONSTRATION—UNIVERSITY STUDENTS PARADE CARRYING FLAGS PLANTED IN ZONE; BANNERS RETURNED YESTERDAY

President Ernesto de la Guardia, Jr., sent word to a student demonstration last night that his administration will undertake immediately the necessary steps to have the Panamanian flag fly in the Canal Zone.

The message was conveyed by Carlos Arellano Lennox, president of the university students union, from the balcony of the Presidential Palace as President de la Guardia stood beside him.

De la Guardia had excused himself from addressing the demonstrators because of a hoarse throat.

A group of about 100 university students had paraded earlier along the entire length of Central Avenue to the Presidential Palace, carrying the Panamanian banners which they planted in various spots in the Canal Zone last Friday.

The students said their Operation Sovereignty was aimed at reasserting Panama's rights of sovereignty in the Canal Zone.

Fifty-nine flags were returned Monday by Canal Zone authorities to a Panamanian official and were in turn delivered to the university students. Lt. Col. Raul Arias, aid to President de la Guardia, received the flags at the Balboa Police Station from Capt. Gaddis Wall, district commander. The return of the flags was requested on instructions from President de la Guardia.

The banners were delivered by Colonel Arias at the residence of Student President Arellano Lennox.

The university students' parade started at 6 p.m. from the plaza opposite the Foreign Ministry building. Marching without a police escort, the students bucked the heavy Central Avenue traffic at the start of their march, but by the time they reached the downtown section they were at the head of the line of vehicles and the avenue was clear of traffic.

The flag-bearing students were preceded by a caravan of seven vehicles, including one equipped with loudspeakers over which martial airs and typical Panamanian music was played.

There was applause from balconies and from the sidewalks for the marchers.

At Santa Ana Plaza, the students halted and sang the national anthem.

After the demonstrators reached the presidential palace, a delegation of students headed by Arellano Lennox went upstairs to talk with the President.

The conference lasted about half an hour. On the street, the demonstrators chanted for De la Guardia to come out and an announcer called on the President "to do your duty and salute the flag."

The Chief Executive came out on the balcony with the student delegation. Arellano Lennox, addressing the demonstrators, who had been joined by several hundred citizens, said the delegation had informed the President that the youth of Panama demanded that before any bases are granted for intercontinental missiles the Panamanian flag should fly in the Canal Zone.

This was a reference to a recent request by the United States for a survey of hilltops in Panamanian territory for use as radar sites. The results of the survey have not been disclosed.

Arellano said the President was told also that the youth demanded that before any more concessions are made to the United States, Panama's rights in the Canal Zone be recognized. He added that it was Panama's duty to help hemisphere defenses, but that did not mean submitting to more humiliations.

As Arellano concluded his brief report, the demonstrators took up a chant for President de la Guardia to speak.

Arellano announced that the Chief Executive excused himself from speaking because of a hoarse throat. There were boos from the crowd. Arellano signaled for silence and added that the President's message was that starting today the Government will undertake the necessary investigations and steps to have the Panamanian flag fly in the Canal Zone. There was applause.

The President immediately withdrew inside, followed by the student delegation. The demonstrators on the street began dispersing.

The demonstration was orderly. There were scattered cries of "Down with the Gringos!"

[From the Panama American of May 6, 1958]

UNITED STATES-REPUBLIC OF PANAMA FLAG NEGOTIATIONS EXPECTED IN WASHINGTON SOON

Panama will shortly open negotiations with the authorities in Washington with the aim of authorizing the flying of the Panamanian flag alongside the Stars and Stripes in the Canal Zone, it was believed in well-informed circles today.

Such negotiations would be the logical next step following President Erensto de la Guardia, Jr.'s assurance to Panama University students last night that his administration will seek to have the Panama flag flown in the zone.

It was understood that during negotiations leading up to the 1955 Remon-Eisenhower treaty the United States declined a Panamanian proposal to the same effect and that ships entering Canal Zone ports and transiting the canal should fly the Panamanian flag at the foremast along with the Stars and Stripes. It is customary for ships entering port to display the flag of the country in which that port is situated.

The university students paraded through Panama City to the Presidencia last night proudly bearing the 59 flags which earlier yesterday

had been returned from the Canal Zone. They were the flags the students planted in the zone in Operation Sovereignty.

The parade along Central Avenue ended at the presidential palace where UEU president, Carlos Arellano Lennox, and a delegation of student leaders were received by President de la Guardia.

Arellano Lennox presented one of the flags to the President as a gift and shortly afterwards, with Mr. de la Guardia standing beside him on the balcony of the Presidencia, the student leader announced to the gathering of students and others below the President's promise to negotiate the flying of the Panama flag on the Canal Zone.

Mr. de la Guardia, who is suffering from hoarseness, excused himself from speaking to the student gathering.

Speaking from the balcony, Arellano Lennox declared that the delegation had informed the President that the students are demanding that the Panama flag fly over the Canal Zone before any bases be granted to the United States for radar stations or missile-launching sites.

The announcement that the President had agreed to negotiate the flying of the flag was greeted by cheers from the group below.

The students were applauded yesterday as they marched along Central Avenue by people who gathered on balconies along the route of the parade.

The demonstrators dispersed at the end of Arellano's speech.

[From the Panama Star and Herald of May 7, 1958]

**REPUBLIC OF PANAMA STARTS MACHINERY FOR FLAG NEGOTIATIONS—
ADVISORY BODY ASKED TO TELL BEST APPROACH—PRESIDENT IN-
STRUCTS FOREIGN MINISTER TO SEEK ADVICE FROM NATIONAL
COUNCIL OF FOREIGN RELATIONS**

The Panama Government yesterday set in motion the official machinery for formal negotiations with the United States to have the Panamanian flag raised in the Canal Zone.

A similar bid by Panama in the 1955 treaty negotiations was unsuccessful.

The official announcement said President Ernesto de la Guardia, Jr., instructed the Foreign Office to consult with the National Council of Foreign Relations over the best way to approach the negotiations. The eight-man council is composed of the country's top legal minds. It includes two former presidents—Drs. Ricardo J. Alfaro and Harmodio Arias—and four former foreign ministers who have been closely connected with past negotiations with the United States.

President de la Guardia on Monday night sent word to a university students' demonstration that his administration would undertake immediately the steps necessary to have the national flag flown in the Canal Zone. Last Friday, university students planted 59 Panamanian flags in the Canal Zone as a symbolic act to reaffirm the country's sovereignty over the 500-square miles of Panamanian territory in which the United States operates the Panama Canal.

The flags were returned to the University Union which paraded them Monday night to the presidential palace.

The announcement issued by the President's press office following a Cabinet meeting yesterday said:

Complying with instructions from the President of the Republic, Ernesto de la Guardia, Jr., the Minister of Foreign Relations, Aquilino Boyd, this morning addressed the chairman of the National Council of Foreign Relations to advise him of the desires of the National Government to undertake negotiations with the Government of the United States of America looking toward the raising of the Panamanian flag in the Canal Zone and to seek, through the advice of that body, the most convenient approach to those negotiations.

How long the Council of Foreign Relations would take to report back to the Foreign Ministry on the flag question was not known.

Observers recalled that among the proposals submitted by Panama during the 1955 treaty negotiations was one which called for ships transiting the Panama Canal to carry the Panamanian flag and for raising it at the canal terminals. Negotiators for the two countries did not reach agreement on the proposal.

[From the New York Herald Tribune of May 7, 1958]

PANAMA: A MATTER OF FLAG

PANAMA.—The government of President Ernesto de la Guardia, Jr., holds that American rights in the Canal Zone are restricted mainly to the operation and defense of the canal, but opposition parties and public clamor are pushing him to take an even stronger stand. The other night about 100 students joined by citizens, marched on the presidential palace in a demonstration called Operation Sovereignty. De la Guardia pleaded sore throat, didn't show. But yesterday he moved to swing support behind his position; he said he will ask the United States to let the Panamanian flag fly over the Canal Zone. The situation was brought to a head by a U.S. request to put radar installations in Panamanian territory.

[From the Americas Daily, Miami Springs, Fla., of May 8, 1958]

LATIN AMERICAN NEWS IN BRIEF—PANAMA WANTS HER FLAG FLYING IN CANAL ZONE

PANAMA.—It is expected that soon the Government of Panama will start negotiations to have its national flag wave at the side of U.S. flag in the Canal Zone.

These negotiations will follow the statement of President Ernesto de la Guardia, that his Government wishes to hoist the Panamanian flag in the Canal Zone.

The students had organized a demonstration to the presidential palace carrying 59 Panamanian flags they had hoisted last Friday in the Canal Zone in an act they called Sovereignty Operation.

In this capital it is recalled that in the negotiations of the treaty of 1955 with the United States, Panama asked for a similar stipulation, and that the ships crossing the canal should hoist the Panamanian flag, but the United States rejected the proposal.

[From the Panama Star and Herald of May 14, 1958]

COMMUNISM ON THE MARCH

Let face it. The Reds are undoubtedly on the march to take over our free Americas—Both ideologically and by force of arms if we are so supine as to let them get away with it.

Because the United States has won two world wars, fighting for democracy not alone for its own great nation but for all the American nations of this hemisphere and for our allies overseas, does not mean that the United States of America can buck the growing forces of Red communism singlehanded.

It took the combined forces of the Western Allies to win two world wars. It may well take more than all of our Americas together to buck Russian communism which is obviously on the march as of today.

And the Russians mean business. They know the power of slanted publicity; also the power of bullying small nations into falling in line with them; also that of infiltration from within.

The Communists of today can command much of the Far East area and no one knows how much of the Near East, plus that sprawling African Continent. It is called, the Dark Continent because the majority of its people are dark skinned. Also because it is still so little civilized save in a comparatively few spots, by the French settlers, a few German groups, some Italian colonists around the Mediterranean.

We also know that there are Communist parties agitating throughout our supposedly free Americas.

We have heard of Communist infiltration in Guatemala. We have seen it in action right here in Panama. The doctrines mouthed by so many young speakers were following the Moscow line. Yet the Moscow line is wholly alien to all of our free Americas. All of our nations have fought for these freedoms and won them by force of arms. By the same token we will fight for them again.

The Moscow intrusion is worldwide. Only yesterday the Star and Herald featured—and well it did in the printing—the fact that rioters had sacked and burned the U.S. library in Beirut; the Iraqi pipeline was blown up as rioting flared in Lebanon.

And the secondary headline reported that angry mobs are shouting for the downfall of the pro-Western government. That is what Communist infiltration means.

How much further warning do we of these free Americas need before we stand up and throw out these disloyal citizens who are so basely abusing the boom of honest citizenship in nations whose freedom was bought at the high cost of sweat, blood and tears.

The citizens of our free Americas do not deserve to enjoy the freedom our forefathers bought in blood if they, the descendants of heroes of the independence, do not close ranks in all the countries of our Americas and throw the Communist agitators out.

[From the Panama Star and Herald, May 16, 1958]

PRESIDENT SAYS HE IS CONCERNED OVER ACTIVITIES OF AGITATORS

President Ernesto de la Guardia, Jr., said yesterday he was concerned over the activities of agitators who in reality want none of the nation's problems settled.

He made the statement after referring to "student movements which are developing now in some sections of the country."

The Chief Executive did not elaborate on this reference in his speech which he delivered yesterday in Ocu at the dedication of a Government-built rural housing project. Two recent student movements which drew national attention were the planting of Panamanian flags in the Canal Zone by National University students and a parade by high-school students from Aguadulce to demand completion of a new school building.

I cannot close my remarks—

the President said in his prepared address—

without stating, in connection with recent student movements which are developing now in some sections of the country, that I have not cast aside the dreams of national redress and redemption from my formative years in the National Institute. That I still dream of a just, prodigal, rich, noble, and great fatherland. That is my dream as a citizen and my dream as Chief Executive. And if I suffer the agony of fighting realities which tend to destroy that dream—vested interests that operate openly or surreptitiously, that resort to bribery when they cannot disconcert and confuse public opinion through well-known press organs; the deep political decomposition of the country which contaminates from the popular strata to the highest officials; the state of excitement of the popular masses which turns them into victims of maneuvers by agitators who in reality want no problem settled because they would then lose the basis to satisfy their vanity and their lust for the limelight while I suffer the agony of fighting against these realities, which cannot in any way be blamed upon students, yet I do not lose breath, nor does my will falter, nor my dream diminish for a just, prodigal, rich, noble, and great fatherland.

In his speech the President emphasized that while problems of every nature grow throughout the country, the means for solving them still are inadequate. He stressed that it was necessary to plan for the country overall and not just for particular communities.

I myself—

he added—

feel at times that my capacity for waiting disappears in the face of messages and messages which demand administrative action to solve 1,000 difficulties which embitter the life of the Panamanian family and narrow its horizons and I cannot help but deplore in such cases the lack of means for rendering help. But no one is unaware that ours is a country of scarce and limited economic resources.

He called for a "deep sense of responsibility" on the part of the people in order not to "mortgage the future by acting senselessly in the present."

[From the Washington Evening Star of May 20, 1958]

PANAMA STUDENT CLASH KILLS 1, INJURES 62

PANAMA, May 20.—A high school youth was killed and 62 persons were injured in demonstrations against Panama's education minister yesterday.

President Ernesto de la Guardia, Jr., blamed the clash between the students and national guardsmen on political opponents who he said used the youth as a shock force against his government. He agreed to meet tomorrow with student leaders to discuss their demand for removal of three guard commanders. The students promised an orderly funeral today for the youth who was killed.

The 62 persons injured in the clash at Panama City's largest high school included 42 students, 18 guardsmen, and 2 bystanders. Four students and five guardsmen were hospitalized.

GUARDS ATTACKED

The students hurled stones at the guardsmen and attacked them with clubs before the troops broke up the mobs with shots fired into the air and tear gas. Mr. de la Guardia said the dead student, Jose Manuel Arauz, died of contusions rather than bullet wounds.

Volunteer firemen patrolled the school after guardsmen were withdrawn after the clash. No students were arrested.

Thousands joined the high school in an orderly, 5-mile mourning march on the presidential palace last night. A delegation promised young Arauz' funeral would be orderly. It demanded the officers' removal and repeated the original student demand that Education Minister Victor Julio be fired.

ASK AID FUND PROBE

The students accuse Mr. Julio with not properly equipping and staffing all high schools. They also demand an investigation of the use of U.S. aid funds allocated to improve Panama's schools.

Mr. de la Guardia said in a radio address that 27 percent of the nation's budget is devoted to school needs but because of limited resources not all needs can be met.

[From the Washington Post & Times Herald of May 22, 1958]

PANAMA RIOTS SPREAD TO COLON

PANAMA, May 21.—Panama's student disorders spread last night to the city of Colon, where rioters stormed national guard headquarters with stones and bottles. Six guardsmen and a boy and girl were injured.

The demonstrators, who included nonstudents, rioted after a youth mass meeting. Later a student leader told authorities he had not instigated the attack. Authorities have blamed most of the trouble on political agitators.

A student was killed in a clash with national guardsmen Monday.

President Ernesto de la Guardia, Jr., ordered schools closed after the student federation ordered a 48-hour strike.

The students are demanding the removal of Education Minister Victor Julio and three national guard commanders. They accuse Julio of failing to equip and staff schools properly.

[From the Washington Post & Times Herald of May 23, 1958]

TROOPS BATTLE SNIPERS IN 2 CITIES—9 KILLED, 61 HURT IN PANAMA RIOTING; GOVERNMENT DECLARES STATE OF SIEGE

(By Luis C. Noli)

PANAMA CITY, May 22.—Panama troops battled destructive rioters and snipers today and bottled up student demonstrators here and in Colon.

Nine persons were killed and at least 61 injured in hours of fighting here between national guardsmen and rioters who went on a rampage of destruction.

The Government claimed snipers killed the victims.

There were no reports of casualties at Colon, second largest city in the country, at the Caribbean entrance to the Panama Canal.

Other sections of the country were reported quiet.

The riots came in the midst of the threat of a general strike at midnight Thursday. The Government met that threat and the accompanying riots with declaration of a state of siege—modified martial law.

There were reports the afternoon opposition newspaper *Nacion* was forced to close and its editor, Manuel Madia Valdes, was jailed.

National guard headquarters said National University students arranged for a truce to evacuate students massed in the National Institute before the troops moved in to clear out snipers.

At Colon, students concentrated in a high school building and troops gave them an ultimatum to move out in groups of three to surrender.

The strike was called after several days of student demonstrations demanding the ouster of Education Minister Victor Juliao for alleged failure to correct bad school conditions.

After national guardsmen fired on students Monday, killing one youth, the students expanded their demands to include the firing of three national guard chiefs. President Ernesto de la Guardia, Jr., refused to yield to all the student demands.

The Government charges that political foes of De la Guardia are inciting the students to demonstrate. The students deny it.

No opposition figure has been named as a leader.

[From the New York Times of May 26, 1958]

PANAMA REGIME CLAIMS A VICTORY—COUNTRY CALM AFTER 6 DAYS OF RIOTS—PRESIDENT SAYS STUDENTS WERE DUPES

(By Paul P. Kennedy)

BALBOA, C.Z., May 25.—President Ernesto de la Guardia, Jr., claimed a decisive victory today in the Panamanian uprising.

He said the victory had been achieved without a resort to excessive force. He conceded however, that negotiations with students who had barricaded themselves in the National University were at a stalemate.

Panama has had 6 days of street rioting and bloodshed. The demonstrations led by students began last Monday.

The President termed the demonstrations "a direct attack to overthrow my government." He said the students had been used "as a catalytic."

"Without knowing it," he said, "they played into the hands of those attacking me."

Señor de la Guardia acknowledged the validity of criticism that his government had been soft.

"I must confess that what I wanted to demonstrate as tolerance was taken by the public as weakness, which had something to do with the

show of force by the opposition during the demonstrations," he declared.

He said he doubted that Communists had been implicated in the uprisings at the beginning, but that they had come in later. He singled out two student leaders, Bolivar Davarlos and Andrés E. Cantillo, saying the former was a Communist and the latter a fellow traveler.

The President said a committee of disinterested citizens had presented a list of student demands last night, and he had agreed with the demands as a basis for conferences with student leaders this morning.

Instead of seeking conferences, he charged, the students came up with three new demands. He showed correspondents a letter from the students making the new demands.

They called for the release of all persons jailed during the demonstrations, the end of the state of seige, and reestablishment of the rights of labor and students.

WOULD NOT FREE ALL

The President said he was willing to release all but those charged with crimes of violence. These include persons charged with sniping, he said.

He added that he would agree to restoring the rights of labor and students, but these had to be clarified. For example, he said, two bridges were burned during the rioting and students' rights do not cover that.

He said he had refused early demands that Victor N. Juliaio, Minister of Education, and three top officers of the national guard be dismissed. He added that he would retain Col. Bolivar Vallarino, chief of the national guard, whom history will give a prominent place.

[From the Panama American of May 22, 1958]

GUNFIRE CLOSE TO CANAL ZONE—7 DEAD, 60 WOUNDED AS STUDENTS DEFY GUARD

Panamá City was a battleground again today.

There were 7 killed and at least 60 wounded by early afternoon.

The government has suspended civil rights.

Firing was heaviest around Central Avenue and the National Institute, command post of the defiant students.

Whereas in Monday's skirmishing with the students the National Guard confined their fire chiefly to tear-gas grenades, today rifles and submachinegun fire could be heard throughout the city.

Canal Zone Policeman Richard D. Meehan, on duty at the head of J. Street, was injured when a bullet coming out of Panama ripped across his back about the waist. His condition is not serious. Another zone policeman was reportedly hit by a rock.

Spent bullets were found in the playground of Ancon School. The school was promptly closed for the day. Pupils who lived in Panama are being kept at the school till someone comes to get them.

Cristobal High School, in Panamanian territory in New Cristobal, did not open today. Students were informed of this previously.

Today's fighting is in part a sequel to the expiration at midnight last night of an ultimatum to President Ernesto de la Guardia, Jr., from the students demanding that he fire Education Minister Victor N. Juliao, National Guard Commandant Col. Bolivar Vallarino, second in command Lt. Col. Saturnino Flores, and third in command Lt. Col. Timoteo Melendez.

Long before the shooting started Panamá City was locked up tight this morning. Students roamed in bands through an early downpour to enforce their call for a general strike.

Other bands blocked roads coming into the city, and in several cases gave motorists a rough time.

Bomberos manned the ambulances which screamed to and from Santo Tomas Hospital. Lucio Paz, Jr., 15, was shot in the chest while standing in De Lesseps Plaza. He was taken immediately to Gorgas Hospital, where he was pronounced dead on arrival.

A squad of armed motorcycle policemen roamed the city this morning removing improvised barricades set up across several streets. The policemen sporadically fired shots into the air as they moved about the city, but as soon as they moved on, the students replaced the barricades.

One hour later the first clash between students and the National Guard since last Monday, when the police were called off, occurred around 9 a.m. today when students started smashing the plate-glass windows of the Caja de Ahorros (savings bank).

Student Miguel A. Batista, reportedly a policeman's son, was critically injured by a bullet in the abdomen during the clash. Another student was hospitalized with severe cuts from broken glass and a third was hit with a rifle butt wielded by a policeman.

Reports from Colon this morning indicated that students stoned the home of Gov. Jose M. Gonzalez during the morning hours and roamed the city forcing business places to close.

In the trouble areas of Panamá City, armed National Guardsmen restored order after brief skirmishes with the students.

However, they refrained from approaching the area of the National Institute, in accordance with instructions issued by their superiors.

Nevertheless, the National Institute area took on the appearance of a battleground as snipers took potshots at the students both outside of the school building and in the open patio inside.

Students took refuge behind automobiles to escape flying bullets, apparently fired by high-powered rifles from some distance away.

Several of the students in and around the institute were injured by snipers' bullets.

It was reported late last night that antistudent groups armed with blackjacks and iron bars roamed the center of the city itching to clash with the students.

Early today delegations of students departed for the interior of the Republic to gather support for a general student strike in support of their demands for Juliao's ouster.

It was not known whether the strike called for midnight tonight, but already in effect, will also be aimed at the removal of the three police commanders, as had been originally demanded by the students.

In a communique issued this morning, the students federation accused politicians of offering to sell them arms. The communique said the students are rejecting all efforts to inject politics into the movement.

As a result of the arms offer, all persons entering the National Institute building were being searched for concealed weapons.

At least one Panama City newspaper and one radio station was closed down this morning following the suspension of civil liberties.

Newsman Manuel Maria Valdes is said to have been arrested by the police.

Following conference with student leaders yesterday afternoon, the President suggested that a commission be formed comprised of six students and six Panama University professors to consider the demands in the field of education as well as those seeking removal or resignation of public officials. The rector of the university and professors were present.

Minister of Agriculture, Commerce, and Industry Victor Navas transmitted this to the students at the National Institute.

The proposal was rejected. It was understood the students insisted on the removal of the National Guard chiefs, or nothing.

While these negotiations were underway, word came that a march of mothers, girl students, and other women would start from the university for the presidencia.

This group gained adherents as it went along; was reported to number about 1,000 by the time it reached Cathedral Plaza. At Banco Nacional corner on Central Avenue, male students formed a cordon to protect marchers.

At the plaza they were addressed by Cleto Manuel Sousa, a long-identified Communist who is also registered as a student at the university. (Sousa made a long trip to Russia a few years ago and had been seen haranguing students groups on Tuesday.)

Sousa suggested the men stay behind; heeding his advice, the women went on alone after singing the national anthem.

Six women formed a committee who went inside and spoke with the President. They included Mrs. Clara Lopez de Gonzalez, who said in addressing the institute crowd later that she told the Chief Executive: "If by midnight the commanders are not down, you will go down with them."

Others on the committee were Lesbia Espinosa, Lidia de Gomez, Minerva de Forte, Noemi Castillo, and Griselda Elden.

Mrs. Castillo, who also spoke at the Institute, said she asked the President to come out on the balcony but he did not do so. The President was accompanied at the conference only by a Catholic priest, Father Gomez.

A Presidential spokesman said later the Chief Executive had offered to discuss any aspect of the case on a factual basis with representatives, "but they seem in no mood to discuss anything."

Even before dark some busdrivers had been alerted for a sympathy strike. Members of the Typographers Union met and put themselves on an alert basis.

At the Carcel Modelo (city jail) inmates set up a din of shouting shortly before midnight. They were quieted by hosing down and by tear gas.

A number of bands roamed the streets during the night.

[From the Christian Science Monitor, of May 31, 1958]

STUDENTS HARASS GOVERNMENT—RIOTS NEUTRALIZE PANAMA GAINS

(By Ralph K. Skinner)

PANAMA CITY, PANAMA.—Panama's President de la Guardia is frustrated and saddened by anti-American riots of students he had given credit for being more mature.

If, as appears likely, Ernesto de la Guardia, Jr., remains in the presidential chair after the current period of rioting, pillage, killing, and national disturbance is ended, it will be a hollow victory.

This reform-seeking President has seen all the accumulated good of his 17 months in office dissipate in the midst of stupidity, hate, cupidity, and political treachery which has engulfed this capital city and other sections of Panama since Monday, May 19.

The biggest mistake of this forward-looking president may have been his endeavor to give recognition as adult thinkers to an undisciplined mob of students who took advantage of his good intentions and trusting nature.

For years the students' traditional interference in politics has caused enmity between them and the national guard, Panama's combination army and police.

STUDENTS WON IN 1947

In 1947 violent student coercion, led by adults, forced the National Assembly into unanimous rejection of a U.S. request for military bases in Panama.

Students thought themselves influential until Col. Jose A. Remón became President. He told them to keep out of politics or he would close the schools. He meant it and the students realized it. They withdrew from political activity.

Under President de la Guardia, the students have become noisy and demanding again. This is due to three themes which are being dinned by interested parties into every Panamanian, but especially the student groups.

These are:

1. Every Panamanian has the right to expect great and unending benefits from the Panama Canal, in which Panama is a self-asserted "equal partner."
2. If Egypt could nationalize the Suez Canal, Panama should aspire for nationalization of the Panama Canal.
3. It is patriotic and proper to denounce U.S. treatment of Panama during the past 55 years.

TREATY CLEAR

This perverted campaign is receiving great support from certain politicians and publishers here. And, when all propaganda tunes run

out, there is the domestic equivalent of "Which came first, the chicken or the egg?" Locally, the question is whether the United States or Panama has sovereignty over the Canal Zone. The treaty is plain in saying that the United States exercises the same sovereignty as if it were sovereign. But soapbox orators don't quote the treaty.

When the students recently became too vehement, the national guard took action, but the President stepped in.

Senor de la Guardia told this correspondent several weeks ago that he thought the guard was too rough with the students. He also said that the general public distrust of student politicking was unfair.

The President said the future of the nation was in the hands of these students and they should be helped and guided and given a voice in national affairs to train them for the future.

To accomplish this, he sent negotiators to the student leaders, proposing that he would order the police not to molest the students on condition that the students would be sane and reasonable in their attitude to law and order.

The President reported that he had even proposed special students' courts to handle the trial of students rather than trying them in regular police courts. Carlos Arellano Lennox, president of the University Students Union, confirmed that the President had proposed an arrangement to him but said he had neither accepted nor declined it.

PIQUE SPARKS RIOTS

It is believed that the Presidential order to the National Guard to give a free hand to the students and not to restrain nor manhandle them brought about much of the tragedy that has followed. And Sr. de la Guardia still has refused to allow arrests of student agitators and decisive though forceful handling of student attacks.

Either the students knew of the Presidential orders and took advantage of them and gained a false courage which led to extremes.

The precise spark which lit the Panama scene in such a bloody light was probably student pique, high school student pique.

The University Students Union staged a raid into the Canal Zone early in May and planted some 50 Panama flags in various public areas. Led by conniving politicians, the public gave the students such approbation that they considered themselves national heroes.

The flag planters paraded to the Presidential palace and made certain demands on the President and exacted a promise of immediate action from him.

PARADE BROKEN UP

This excited a rival student group, composed mainly of high school students, but headed by a man nearly 40 years old, considered a radical and very dangerous. The second student group paraded to the Presidencia but the President had gone to the country on an official visit, and was not there to receive them.

This infuriated the students. They said they would return the following Monday, May 19. The President sent them word not to parade but to present their demands in a normal way through usual channels.

When the students tried to parade, they ran into a National Guard contingent armed with tear gas bombs. The students pelted the guard

with rocks. Many on both sides were hurt and one student was unintentionally killed by a blow on the chest.

Immediately the students called a strike, demanded the ouster of the three commanders of the national guard and of the Minister of Education in the Cabinet. When the President did not accede to their demand, they cried for his ouster.

Since then there have been days of rioting, store windows broken throughout the shopping district, pillaging, sniping by many individuals, and burning of automobiles and the usual stupidities perpetrated by mobs.

There have been about 9 deaths and some 60 injured, according to official censored reports.

The Government imposed a curfew from 10 at night to 5 in the morning after suspending civil rights for up to 30 days. There is press and radio censorship. Only administration radio stations are broadcasting. For a few days there was no public transportation and every store in the city was closed.

As this is written, there is a continuing state of upset. The Government and national guard hold control of the city, but the students are barricaded on their university campus clamoring for a general strike throughout the country.

JUMBLE OF CAUSES

The causes of all this form a jumble. It appears that the student agitation which started it all was precipitated by headstrong, misled, arrogant students trying to run a national government, which, in turn, thought it was controlling the student tempers through negotiation.

Agitators jumped quickly into the breach in the wall of national calm made by the students. There may have been a handful of Communist leaders, but the majority were not, as seen by capable observers.

The majority were paid agitators, hired snipers, troublemakers, hoodlums, paid by political interests to harass, at the least, and, at the most, overthrow the administration of President de la Guardia.

Señor de la Guardia has tried to institute reforms; he has endeavored to stop the two-handed dipping into the Government treasury which has been traditional here. Even more, he has attempted to break up the vested interests and special privileges of a few family hierarchies, long established.

ARIAS HAND SEEN

The current fracas has brought to the fore the name of Dr. Harmodio Arias M., brilliant lawyer, ex-President, financial tycoon and publisher, and probably Panama's most adroit behind-the-scenes politician and power manipulator, according to reliable sources.

According to intimates, President de la Guardia considers Dr. Arias responsible for much of the agitation presently upsetting this country.

A city improvement plan proposed by President de la Guardia would run a highway directly through an unauthorized giant shrimp plant in which the Harmodio Arias interests are controlling. The

disruption and cost to the shrimp organization, if the highway is built, is so great that some report that the President thinks the shrimp cooperative would not stop short of revolution to block his proposed highway.

There is not seen the slightest likelihood of the President dismissing the three National Guard commanders. They have stood by him, and he stands by them.

Because of the prevalent public distrust of the Guard and the general belief that Panama is actually a "police state," this going along with the Guard is the only really vulnerable point in the President's armor of reform. Some observers consider that the President recognizes the present privileged invincibility of the National Guard and is building up his strength to an eventual challenge of their usurpation of the supreme power of the nation.

[From the Congressional Record, 85th Cong., 2d Sess., July 23, 1958]

PANAMA CANAL: OBJECT OF IRRESPONSIBLE POLITICAL EXTORTION

Mr. FLOOD. Mr. Speaker, in the course of my previous addresses to the House on the Panama Canal, I have developed at length the pattern of demands that have been so strenuously pressed by extreme and radical elements in the Republic of Panama. Yet, their full scope was not publicly revealed until the recent visitation there, July 12-16, 1958, by Dr. Milton Eisenhower as special representative of the President of the United States.

Published after arrival of Dr. Eisenhower, the demands include not only the officially expressed views of the Panamanian Government but also those of Panama University students. The latter call for what is termed a "fundamental revision" of the basic canal treaties.

Though not reported comprehensively in the press of the United States, the story of the Eisenhower mission has been well covered in the press of Panama and summarized in news stories in a few U.S. newspapers by informed American correspondents resident on the isthmus. These accounts I have now had an opportunity to study, and shall include in my remarks so that they may be examined by all in authority.

It is pertinent here to state that when the late President Jose A. Remón, of Panama, was confronted with political interferences on the part of university students, he took effective measures to keep them out of politics. Yet, recently in Panama, even during the visit of Dr. Eisenhower, university students have been injecting themselves not only into matters of domestic concern but, as well, into questions of foreign policy affecting the relations of that country with the United States. To describe these demands with candor, they constitute irresponsible political extortion. If acceded to they can only produce new demands for greater extortion.

Though the range of the demands is extensive, there are three of special significance, emphasized in the Spanish press of Panama:

One. Closing down of all business activities in the Canal Zone.

Two. Flying of the Panamanian flag in the Canal Zone and on vessels in transit.

Three. Adopting Spanish as the official language in the Canal Zone.

As to the operation of business enterprises in the Canal Zone, these are absolutely essential for Panama Canal and other U.S. personnel, including the Armed Forces.

The flying of the Panamanian flag in the Canal Zone and on vessels in transit would constitute a symbol of sovereignty that does not in fact exist. If this demand were ever acceded to, it would be followed immediately by others for mineral, oil, and gas explorations, farming,

and miscellaneous business enterprises, as well as for settlement of all lands in the Canal Zone not in actual use for canal or defense purposes.

In this connection, Mr. Speaker, President Taft, by Executive order of December 5, 1912, pursuant to the Panama Canal Act of 1912 and in conformity with treaty, declared that—

All land and land under water within the limits of the Canal Zone are necessary for the construction, maintenance, operation, protection and sanitation of the Panama Canal.

Title to all such land was acquired by the United States, making the Canal Zone a Government reservation. Every consideration requires the continuation of this policy not only for the best interests of Panama but also for the future well-being of the great project from which Panama derives the major part of its income. Furthermore, without this authority of the United States over the Canal Zone it would be impossible to operate the Panama Canal.

As for the third point, the proposal for adopting Spanish as the official language of the Canal Zone is obviously designed to force out North Americans from employment in the canal enterprise. Its effect, however, would not stop there for any such language requirement would necessarily apply to civilian employees of the Armed Forces engaged in protecting the canal. In either case, it would introduce security situations too complicated to comprehend.

The Panama Canal, Mr. Speaker, is an interoceanic public utility operated by the United States pursuant to law and treaty. It is a business proposition entirely distinct from the Republic of Panama for the benefit of world commerce. As such it must be prevented from becoming the victim of further political extortion.

Because many Panamanian leaders, when presenting their case, have repeatedly quoted former Secretary of War William H. Taft out of historical context, I wish to set the record straight as to what his exact views on the sovereignty question were.

In an address on the Panama Canal work, delivered in New Orleans, February 9, 1909, when he was President-elect of the United States, he included the following statement:

It is said that the Lord looks after children and drunken men. Well, I think we ought to include the United States, too. * * * If the Hay-Herrán Treaty of 1903 had been confirmed by the Colombian Senate, a failure to do which aroused our national indignation, we would not have been at all in the favorable position we are now to complete that canal.

Because under the treaty with Panama we are entitled to exercise all the sovereignty and all the rights of sovereignty that we would exercise if we were sovereign, and Panama is excluded from exercising any rights to the contrary of those conceded to us. Now that may be a ticklish argument, but I do not care whether it is or not. We are there. We have the right to govern that strip, and we are going to govern it. And without the right to govern the strip, without the power to police it, and without the power to make the laws in that strip bend, all of them, to the construction of the canal, we would not have been within 2 or 3 or 4 years, hardly, of where we are in the construction.

Now, Mr. Speaker, those unqualified words of President-elect Taft, who, as Secretary of War, had been confronted with Panamanian sovereignty demands are even more applicable today than they were then. First, because of 50 years of interpretation and application of the policy thus defined by President Taft and because the Panama Canal is now one of the two principal commercial crossroads of the world.

Once again, Mr. Speaker, I wish to emphasize the urgency for a congressional policy declaration on the Panama Canal sovereignty question, for which purpose I introduced in the last session House Concurrent Resolution 205, the text of which was last published in my remarks in the Record of July 15, 1958.

In order that the story of the Eisenhower mission to Panama and its impact as described in the Latin American press and as interpreted by resident North American reporters may be adequately recorded, I include as part of these remarks the following selected news stories:

[From the Star and Herald, Republic of Panama, of July 14, 1958]

REPUBLIC OF PANAMA FLAG ISSUE LAID BEFORE DR. EISENHOWER—DE LA GUARDIA CITES NEED OF ECONOMIC AID—3-HOUR WORK SESSION HELD BY TEAMS OF PANAMA AND UNITED STATES OFFICIALS SUNDAY AFTERNOON

President Ernesto de la Guardia, Jr., told Dr. Milton Eisenhower yesterday that flying the Panamanian flag in the Canal Zone would contribute to a better moral climate for cooperation between Panama and the United States.

The proposal was made by the Panamanian Chief Executive at a 3-hour work session which he and his advisers held with the brother of the President of the United States at the Hotel El Panama. Dr. Eisenhower is in Panama on a fact-finding mission for his brother which will take him to Central America and Puerto Rico.

A communique issued by the presidential press office listed, in outline form, a wide range of subjects discussed at the conference between President de la Guardia and Dr. Eisenhower and their high-level advisers. The topics were listed under three main headings: Contractual relations between the United States and Panama; creation of a better moral climate of cooperation between the peoples of Panama and the United States; and problems of economic and social development of Panama.

The Panama Government's announcement did not give details of the discussions, nor did it even suggest what was the reaction of Dr. Eisenhower and his advisers.

Dr. Eisenhower himself declined to give any details of the discussions, saying only that the Panamanian officials "presented their views on a great many problems" and that there would be "more to follow" when he goes deep-sea fishing with the President tomorrow.

He said that when he has completed his study tour of Central America he expected to make recommendations to his brother. He indicated these probably would be an extension of the recommendations on U.S. policies which he made in a report on his South American tour in 1953.

President de la Guardia's reference to the flag issue recalled that there has been agitation recently in Panama—particularly by students—for flying the Panamanian flag in the Canal Zone in recognition of Panama's claim of sovereignty over that strip of land.

Previous requests by Panama along that line have been turned down by the U.S. Government. The last time the question was formally raised was during the negotiations for the Remón-Eisenhower treaty of 1955.

On May 2, the University Students' Union carried out "Operation Sovereignty" in the Canal Zone. It consisted of planting around 70 Panamanian flags in Canal Zone territory. At a student demonstration in connection with that operation, President de la Guardia pledged that his administration would take the matter up officially with the United States. The matter was referred to the National Council of Foreign Relations and yesterday's proposal by the President was the first official mention of the issue since that time.

The communique did not give details of the President's proposal. In listing the points which the President submitted to Dr. Eisenhower, the communique said:

B. Creation of a better moral climate of cooperation between the peoples of Panama and the United States. The national flag of Panama in the canal zone and the adoption of Spanish as the official language.

The text of the communique issued by the presidential press office is as follows:

In an atmosphere of the greatest cordiality, the President of the Republic and members of his cabinet reviewed fully with Dr. Milton S. Eisenhower and his party, the relations between Panama and the United States for the purpose of arriving at means of strengthening them on the basis of the gains made along that way up to the present, particularly in connection with the approval by the Congress of the United States of the laws required for the implementation of the 1955 agreements, in which measures the action of President Eisenhower has been decisive.

Immediately after that, the President of the Republic submitted to Dr. Eisenhower the following points:

A. Contractual relations between the United States and Panama.

1. Fair interpretation of the agreements in force.
2. Guaranteeing the Canal Zone market to Panamanian commerce and industry. Purchases by the Canal Zone in Panama (Items 8 and 9 of the Memorandum of Understanding Reached). Cessation of economic activities other than those connected with the purposes for which the Canal treaty was signed.
3. Rates for supplying water to Panama.
4. The single wage scale.
5. Refund of import duties on liquors sold to the Canal Zone.

B. Creation of a better moral climate of cooperation between the peoples of Panama and the United States. The flag of Panama in the Canal Zone and the adoption of Spanish as the official language.

C. Problems of economic and social development of Panama.

1. The United States should have primary interest in Panama's development of its full economic possibilities as the only means of meeting the needs and requirements of a rapidly growing population.
2. The Panamanian State and its obligations with regard to economic development and the furnishing of education, health and social improvement services.
3. Mutual advantage for the United States and Panama from a plan for cooperation and economic aid, on an emergency basis, in some cases, and on a long-range basis, in others, for the immediate improvement of the unemployment situation and for enlarging and strengthening the basis of Panamanian economy.
4. An economic cooperation plan.

With respect to the economic cooperation plan, the President of the Republic divided it into two parts, one referring to funds for an emergency program and the other to long-term measures connected with the future development of the country. The President of the Republic submitted to the consideration of the visitors various projects prepared by the National Government, some of which were examined in detail and all of which awakened such interest that it was agreed that they would be discussed more fully before Dr. Eisenhower's departure.

The work session at the Hotel El Panama was attended by:

In the Panama team: President de la Guardia, Foreign Minister Migual Moreno, Jr., Minister of Government Max Heurtematte, Minister of Finance Fernando Eleta, Minister of Public Health Heraclio Barletta, Minister of Agriculture and Commerce Alberto Boyd, Minister of Education Carlos Sucre, Minister of Public Works Roberto Lopez, Comptroller General Roberto Heurtematte, Ambassador to Washington Ricardo Arias, and Administrative Assistant to the President Inocencio Galindo.

In the U.S. team: Dr. Eisenhower; Roy R. Rubottom, Assistant Secretary of State for Inter-American Affairs; Dempster McIntosh, Managing Director of the Development Loan Fund; Tom Coughran, Assistant Secretary of the Treasury; Samuel C. Waugh, President of the Export-Import Bank; United States Ambassador to Panama Julian F. Harrington, and Lt. Col. Vernon Walters, who acted as interpreter.

Dr. Eisenhower and President de la Guardia were together for 4½ hours in a meeting that started with a luncheon in a private dining room of the Hotel El Panama and then moved to the presidential suite. Three hours of that time were devoted to a discussion of Panama's problems.

Dr. Eisenhower's official program for Sunday started at 10 a.m., with a courtesy call on President de la Guardia at the Presidential Palace. The automobile ride along Central Avenue was uneventful. There was scattered applause at some points. Some spectators complained that the official motorcade traveled too fast.

In the Yellow Hall of the Presidential Palace, Dr. Eisenhower presented De la Guardia with a glass cigarette box and ash tray, a gift from President Eisenhower.

Then Dr. Eisenhower went to the Canal Zone to call on Gov. W. E. Potter (who had returned from Washington at 6 a.m., Sunday) and Lt. Gen. Ridgely Gaither, commander in chief of the U.S. Caribbean Command.

Governor Potter said Dr. Eisenhower asked for background information on some questions he expected would be raised at his meeting last evening with representatives of Canal Zone non-United States-citizen labor unions. These included housing and wage rates. Potter said Dr. Eisenhower also made an inquiry on a Panamanian complaint about the importation of beef in the Canal Zone. The Governor quoted figures of 1 million pounds of Panamanian beef purchased annually by the Canal Zone as against 50,000 pounds of imported beef.

General Gaither said he and Dr. Eisenhower discussed the weather in Baltimore. Both are Baltimoreans.

The afternoon was devoted to the work session, which was followed by the conference with the labor delegation.

In the evening, Dr. Eisenhower and his daughter, Ruth, were guests of honor at a dinner tendered in the Balboa Room of El Panama by President and Mrs. de la Guardia.

Dr. Eisenhower's program for today will be announced this morning. It is known, however, that he will make a trip through the Panama Canal accompanied by Roberto Heurtematte, Panama's Comptroller General, and Ricardo Arias, Ambassador to Washington.

WILL DISCUSS LABOR'S ISSUES WITH ZONE, SAYS EISENHOWER

Dr. Milton Eisenhower yesterday promised to take up with Canal Zone officials a seven-point memorandum listing wage and treatment issues raised by representatives of non-U.S. citizen labor.

President Eisenhower's brother received the labor delegation, composed of officers of locals 900 and 907, AFL-CIO, at the U.S. Embassy residence where he is staying during his visit in Panama.

Elimination of the segregation that still exists in the zone was one of the issues voiced by the labor group.

You gentlemen—

Dr. Eisenhower told the group—

probably realize that my brother has perhaps done more than any other President to do away with segregation. He is opposed to segregation but you gentlemen realize you cannot change the minds of all the people at one time.

The local-rate labor delegates also presented their bid for a 10-percent wage hike to match that recently awarded the classified civil service employees. They disagreed with the policy of fixing wages based on the area of recruitment. They described to him the unions' low-cost housing project.

The group which called on Dr. Eisenhower included W. H. Sinclair, AFL-CIO international representative, Harold W. Rerrie, president of local 900; Alfred J. Morris, president of local 907; Jose de la Rosa Castillo and Ricardo Martin.

Dr. Eisenhower was accompanied by Under Secretary of State Roy Rubottom; Dempster McIntosh, Managing Director of the Development Loan Fund Corporation; U.S. Ambassador to Panama Julian F. Harrington, and Robert Cox, labor attaché of the Embassy.

The labor group later said it had received the following statement from an Embassy representative:

Dr. Eisenhower, as personal representative of the President of the United States, has invited you into his temporary home in Panama to discuss problems with him and to assist him in his fact-finding mission. Certainly no official or employee of the U.S. Government would attempt to detract in any way from this effort either now or in the future.

The seven points submitted by the labor group to Dr. Eisenhower were—

1. A 10-percent wage increase for all Panamanian employees in the Canal Zone who will not receive any substantial increase from the application of the single-wage scale.

2. That the adjustment of incumbents into the single-wage structure be made according to the grade and step presently held by the incumbent so as to protect his seniority.

3. We disagree with the present policy of fixing wages based on the area of recruitment. Experience has taught us that this is not the most practical or fair method. The Panamanian Government fully supports this point of view.

4. It is necessary that the U.S. Government support and back the efforts of AFSCME, AFL-CIO, and the local unions to put over their low-cost housing project for Panamanian workers in the Canal Zone.

5. The elimination of segregation that still exists in the Canal Zone.

6. More support to Panamanian unions in the Canal Zone, by U.S. Government agencies.

7. We insist that Panamanian workers in the Canal Zone should have representation on the Canal Zone Board of Appeals.

Text of the unions' statement on the conference with Dr. Eisenhower is as follows:

AFSCME, AFL-CIO International Representative William H. Sinclair said last night that he and other union officials who met with Dr. Milton Eisenhower and members of his delegation were very satisfied with the cordial manner and friendly atmosphere in which the conference was held.

Harold W. Rerrie, chairman and spokesman for Local 900 at the meeting, expressed great satisfaction in meeting with Dr. Eisenhower and the opportunity afforded to the Canal Zone noncitizen labor groups, to present their views on a number of issues.

Both Sinclair and Rerrie agreed that Dr. Eisenhower expressed great interest in the low-cost housing project being sponsored by the international union for noncitizen workers of the Armed Forces and Canal Company government. Dr. Eisenhower said that he had already received some information on the acute housing situation in Panama and was apparently definitely pleased with the efforts being made by the labor unions to help find a permanent solution to this tremendous problem.

Dr. Eisenhower said he knew president Arnold S. Zander personally, which led union spokesmen to believe that the highest sources in Panama, the Canal Zone, and the United States will give full backing to the union's housing program which is scheduled to get underway as soon as the AFSCME's housing adviser arrives on the isthmus later this month.

The question of a 10-percent wage increase for noncitizen workers in the Canal Zone, which was denied by the Canal Zone Administration recently, was also raised at the conference where union officials brought Dr. Eisenhower up to date on the steps already taken by the local unions in the zone and the international union in Washington.

This and other matters raised at the conference by spokesmen for local 907 would be taken under advisement, Dr. Eisenhower said. He will discuss a number of the issues with local officials in the Canal Zone, then make a full report to his brother, President Dwight Eisenhower, when he returns to Washington.

Spokesmen for local 900 and the international union were very firm in pointing out to Dr. Eisenhower that they want to see a labor man on the Canal Zone Board of Appeals. The House of Representatives recommended in H.R. 6708 that Canal Zone Panamanian employees be represented on the board.

Sinclair and Rerrie insisted, however, that they did not want anyone on the board who would be a "yes man," but they wanted someone instead, preferably from noncitizen labor unions, who would stand up for the rights of the workers on all issues.

Sinclair and Rerrie told Dr. Eisenhower they wanted a labor man on the board because if he did not do a good job they would want to remove him right away.

The labor spokesmen were very elated, however, over the great interest Dr. Eisenhower expressed in connection with the low-cost housing project which is a point of superlative importance to the local union's and international union's platform.

REPUBLIC OF PANAMA STUDENTS REITERATE INVITATION

The University Students Union of Panama yesterday wrote Dr. Milton Eisenhower, reiterating its invitation for a meeting in the National University.

The union's letter was in reply to a communication from Dr. Eisenhower which turned down the students' demand that any meeting with him should be held in the university.

A U.S. Embassy spokesman said last night that Dr. Eisenhower will not reply to the students' letter and that the matter is regarded as closed.

The students' letter, which was delivered by hand to the U.S. Embassy residence at La Cresta, said:

DEAR DR. EISENHOWER: The Union of University Students regrets that the tight schedule arranged for you, prior to your departure, by the United States State Department makes it impossible for you to accept the invitation that was cabled directly to you in Washington on July 11, at 9:58 p.m.

We deplore that those responsible for arranging the program of conversations to acquaint you with the problems of the respective countries that you are visiting should fix the site for these at the Embassy residence, which, under international agreements, is territory under the jurisdiction of the country it represents.

We reiterate to you our invitation to the National University at your convenience or when you are not traveling on such a "tight" schedule as you mentioned in your letter yesterday, and under the same arrangements; namely, accompanied by your personal escort and under our protection.

[From the Star and Herald, Republic of Panama, of July 15, 1958]

EISENHOWER, STUDENTS WAIT FOR EACH OTHER—RECTOR KEEPS APPOINTMENT AT EMBASSY HOME—DISCUSSIONS WITH PANAMA OFFICIALS WILL CONTINUE TODAY DURING ALL-DAY FISHING TRIP

Dr. Milton Eisenhower and his Panamanian colleague, Dr. Jaime de la Guardia, rector of the National University, had a friendly chat last evening, but students stayed away from the meeting at the U.S. Embassy residence. Instead, they waited for Dr. Eisenhower to show up at the university.

Dr. Eisenhower, who is president of the Johns Hopkins University, and the University Students Union had exchanged invitations to meet, but at different places. He is on a factfinding tour for his brother, the President of the United States. He declined to come to the university campus because of a tight schedule. The students refused to go to the Embassy residence at La Cresta because that technically is foreign territory.

The invitation from Dr. Eisenhower was for a delegation of students, plus the university rector. Only Dr. de la Guardia showed up. They had a friendly chat about their administrative responsibilities as university heads.

Yesterday's program for Dr. Eisenhower still listed a 6:30 p.m. appointment with a student group at the Embassy residence, despite student announcements that it would not be kept. At that hour a delegation of five students waited for him in the university administration building atop a hill in plain sight of his temporary home.

The students, who are at odds with the Panamanian Government, enforced their own security precautions and posted armed student guards in the campus area. They had announced that members of neither the Panama National Guard nor the secret police would be permitted on the campus as security guards for Dr. Eisenhower.

For the benefit of photographers, the student delegation that was to have met with Dr. Eisenhower sat down around the table set aside for

the meeting. At the head of the table was an empty chair with the sign "Mr. Eisenhower." The student delegation was composed of Virginia Ramirez and Ricardo Quiroz, of the Union of High School Students; Julio Rovi and Carlos Arellano, of the University Students Union; and Blas Bloise, of the Federal Council of the Students Federation.

At noon yesterday, about three score students carrying posters demonstrated peacefully opposite the U.S. Embassy office building, which is in a different section of the city from the Embassy residence. One poster said: "Milton Go to the United States of America." Others dealt with Panama's claims of sovereignty over the Canal Zone and with student demands for a 50-50 split of canal revenue between the United States and Panama. Still others made reference to allegations that the U.S. Armed Forces in the Canal Zone supplied arms to the National Guard during the disorders last May in which several students were killed.

The demonstrators dispersed 45 minutes later without incident after being informed by a National Guard officer that neither Dr. Eisenhower nor Ambassador Julian F. Harrington was in the building.

At that hour, Dr. Eisenhower was on a trip through the Panama Canal. He told newsmen last night that "if I had been there, I would have invited them to send a delegation in and discuss all they wanted to discuss."

Dr. Eisenhower has been on the isthmus since Saturday. Panama is the first stop in his study mission which will take him through the Central American countries.

The impasse with the university students about where to meet has been the only incident in his Panama visit. Of the students' refusal to visit him at the Embassy residence because it is foreign territory, Dr. Eisenhower said yesterday:

If I took the same attitude, I would not have come to Panama. I have discussed problems with various groups. Any delegation which the students may have sent would have been received as cordially as any of these groups.

Dr. Eisenhower declined to comment for publication on Panama's touchy proposal to have the Panamanian flag flown in the Canal Zone, but he said that in the discussions Sunday with President Ernesto de la Guardia, Jr., there was no suggestion of the revision of any of the treaties between Panama and the United States.

A student statement of topics which would have been discussed with Dr. Eisenhower listed the "fundamental revision" of those treaties as the main item. It gave the following as the "minimum aspirations" of students:

1. Express reaffirmation by the United States of the sovereignty of the Republic of Panama over the Canal Zone territory.
2. Liquidation of the Panama Canal Company because it is a violation of the terms of existing treaties between the two countries.
3. Substitution of the term "in perpetuity" in the 1903 Canal Treaty by a period which will be in keeping with the principles of international law.
4. Sharing on an equality basis of economic benefits resulting from the canal enterprise.

5. Express recognition of Panama's civil, penal, fiscal, and labor jurisdiction over nonmilitary affairs in the Canal Zone.

6. Elimination of discriminatory policies in the Canal Zone.

7. The free use by Panama of the terminal ports of Balboa and Cristobal.

8. Enforcement in the Canal Zone of the principle of equal pay for equal work.

9. Preferential use of the Canal Zone market for Panamanian industry and commerce. Elimination of private commercial companies in the Canal Zone.

10. Raising of the Panamanian flag in the Canal Zone and recognition of Spanish as official language.

11. Elimination of U.S. postage stamps and exclusive use of Panamanian postal service in the Canal Zone.

12. Refund of the rentals collected by the United States on land formerly owned by the Panama Railroad Company.

Under the heading, "Specific Items To Be Discussed With Dr. Milton Eisenhower," the students listed the following:

1. Release of Lester Greaves, who is serving a 50-year penitentiary term in the Canal Zone on a charge of rape.

2. Elimination of military training for the National Guard, which should be limited only to police functions.

3. Nonrecognition by the United States of dictatorships.

4. Greater cooperation between the United States and Latin American countries to enable the latter to create their own economy.

5. Hemispheric solidarity on a basis of equality and mutual cooperation.

6. "Cessation of provocative and offensive acts on the part of Canal Zone residents and members of Congress of the United States against national dignity."

7. Ratification of the stand of the National Congress of Students for the nationalization of the canal.

Student spokesmen at the university contrasted the attitude of Dr. Eisenhower, a university man, of refusing to come to the campus with that of Vice President Richard M. Nixon who braved stones to talk with South American students.

Dr. Eisenhower's discussion with Panamanian officials will continue today during an all-day deep-sea fishing trip to which President Ernesto de la Guardia, Jr., has been invited.

He and the President met for 3 hours Sunday to discuss a wide range of problems. These referred to relations between Panama and the United States and to economic aid. Of his discussions with the President, Dr. Eisenhower said yesterday:

We had a most helpful visit with the President and we will continue it tomorrow (Tuesday) during the fishing trip. A large part of the discussion dealt with Panama's economic situation and with plans of the Panamanian Government which would call for immediate short-term and long-term help.

Some of the Panamanian Government's proposals, Dr. Eisenhower declared, may be "quite eligible" for private financing.

"I have no doubt", he added, "that other projects will be developed with a view to obtaining credit from other sources, such as the Export-Import Bank, the Development Loan Fund, or the World Bank."

He remarked that he considered "the presentation by President De la Guardia and his associates thorough and well thought through." He added that he thought that those projects which would require credit "all would be repayable."

Dr. Eisenhower said that most of the subjects of discussion dealt with the aspirations of the Panamanian leaders to better the economic conditions of the people.

Today's fishing trip will bring to a close Dr. Eisenhower's official visit to Panama. He leaves early Wednesday for Tegucigalpa, Honduras, where his arrival is scheduled for 10 a.m.

Dr. Eisenhower spent practically the entire day yesterday in the Canal Zone, observing the operation of the waterway and visiting military installations.

He first stopped at Miraflores locks, where Gov. W. E. Potter and Marine Superintendent W. S. Rodiman acted as tour directors. The party then traveled to Pedro Miguel to embark on the canal tug *Culebra* for a 3-hour trip through the cut and across Gatun Lake.

Lunch was served aboard the tug.

From the Gatun boat landing, Dr. Eisenhower and his party were taken on a tour of Army installations which included the U.S. Army Caribbean Latin American School at Fort Gulick, the Jungle Warfare Training Center at Fort Sherman, and the historic Fort San Lorenzo.

Dr. Eisenhower's party consisted of 26 persons. Guests included Roberto Heurtematte, Comptroller General of Panama; Fernando Eleta, Minister of Finance, and Ricardo Arias, Panamanian Ambassador to Washington.

At a briefing for newsmen later, a Panama Canal spokesman said the canal trip afforded an opportunity for Dr. Eisenhower and Governor W. E. Potter to discuss items pertaining to the Canal Zone which were raised by President de la Guardia at the work session Sunday with Dr. Eisenhower.

The spokesman said Dr. Eisenhower showed considerable interest in the mechanics of the waterway and that he was impressed by the durability of the 50-year-old waterway.

An Army representative said Dr. Eisenhower expressed interest in the activities of the Latin American School to acquaint Latin American officers with U.S.-style democracy.

The party returned to the Pacific side by military plane at 4 p.m.

The meeting with University Rector Jaime de la Guardia was next on Dr. Eisenhower's schedule.

In the evening, U.S. Ambassador and Mrs. Julian F. Harrington tendered a dinner in honor of President de la Guardia and Dr. Eisenhower. This was followed by a reception for 100 additional guests.

[From the Panama American of July 14, 1958]

REPUBLIC OF PANAMA STUDENTS PICKET UNITED STATES EMBASSY—
QUIT WHEN TOLD EISENHOWER, HARRINGTON TRANSITING CANAL

About 50 Panamanian high school students picketed the U.S. Embassy in Panama City this afternoon carrying placards proclaiming "Milton, the Canal Is Ours," "50 percent of the Canal" (a reference

to the claim that the United States should split the gross revenue of the canal 50-50 with Panama) and "We Don't Want Communism."

Later they displayed their signs along the 4th of July Avenue, at the National Institute.

They announced their intention of remaining at the Embassy till they saw Dr. Milton Eisenhower or U.S. Ambassador Julian F. Harrington. A national guard prowl car detachment led by Maj. Bartolomé Carrión moved them back from the entrance to the Embassy, but told them they could stay across the street in the sun if they wished. Carrión also told them that Eisenhower and Harrington were transiting the canal today, and would not be at the Embassy. The pickets left shortly afterward.

Meanwhile, University Student Union president Carlos Arellano Lennox announced that the university students would be all ready to greet Eisenhower at the university at 6:30 this evening. The students would institute their own security precautions for Eisenhower on the campus of the autonomous university, Arellano announced.

Eisenhower will not be there. An Embassy spokesman announced that following the students' refusal yesterday to send a delegation to meet Eisenhower in the U.S. Embassy residence on La Cresta (El Panam á Milton) this evening, Eisenhower regarded the matter as closed.

The students stated that their refusal to meet Eisenhower there was based, among other reasons, on the fact that the Embassy residence is technically United States rather than Panamanian territory.

Eisenhower and Harrington, together with the Canal Zone Gov. William E. Potter, marine director, Capt. W. S. Rodiman, Eisenhower's daughter, Ruth, who is acting as his official hostess on his present trip. Mrs. Potter, Mr. Harrington, other members of the Eisenhower team and representatives of the Canal Zone brass were aboard the Panama Canal Company tug, *Culebra*, enjoying a sunny day on the glistening waters of the canal between Pedro Miguel locks and Gatun. Also on the trip were Ricardo Arias, Panama's Ambassador to the United States, and Finance Minister Fernando Elea.

The lunch on board would not be quite the same as regular clubhouse fare, Potter allowed.

Commanding the bright, shiny *Culebra* is Capt. Edward K. Wilborn, who has A. T. Van Gelder as engineer, and a crew of 10.

After arriving at Gatun this afternoon the Eisenhower party was scheduled to visit the USARCARIB Latin American School at Fort Gulick and the Jungle Warfare Training School at Port Sherman.

They were to fly back to Albrook from the small Fort Sherman strip by military light aircraft.

Tonight Harrington is giving a dinner for Eisenhower and President Ernesto de la Guardia, Jr. This dinner will be followed by a reception.

Tomorrow the Eisenhower party, top military and civilian brass from the Canal Zone, along with President de la Guardia and many of his top officials are to put out to Panama Bay on the most brass-bound fishing expedition known in their area for years.

Discussion on the trip is likely to include money and marlin, colateral and corbina, sovereignty and sailfish, as the party informally

carries on the closed-door session which ran into 90 minutes overtime at El Panama Hilton yesterday.

The U.S. team at yesterday's session consisted of Eisenhower, Harrington, Assistant Secretary of State for Latin American Affairs Roy R. Rubottom, Assistant Secretary of the Treasury Tom B. Coughran, Export-Import Bank President Samuel C. Waugh, and Development Loan Fund Manager Dempster McIntosh.

At the table for Panama were President de la Guardia, Panamanian Ambassador to the United States Ricardo M. ("Dicky") Arias, Foreign Minister Miguel J. Moreno, Jr., Treasury Minister Fernando Eleta, Minister of Government and Justice Max Heurtematte, and Comptroller General Roberto Heurtematte.

Other members of the de la Guardia cabinet sat behind the Panama team.

An official Panamanian Government statement later announced that President de la Guardia presented the following points to Eisenhower:

- A. Contractual relations between the United States and Panama.
 1. Fair interpretation of the agreements in force.
 2. Guaranteeing the Canal Zone market to Panamanian commerce and industry. Purchases by the Canal Zone in Panama (Items 8 and 9 of the Memorandum of Understandings Reached). Cessation of economic activities other than those connected with the purposes for which the Canal Treaty was signed.
 3. Rates for supplying water to Panama.
 4. The single wage scale.
 5. Refund of import duties on liquors sold to the Canal Zone.
- B. Creation of a better moral climate of cooperation between the peoples of Panama and the United States. The flag of Panama in the Canal Zone and the adoption of Spanish as the official language.
- C. Problems of economic and social development of Panama.
 1. The United States should have primary interest in Panama's development of its full economic possibilities as the only means of meeting the needs and requirements of a rapidly growing population.
 2. The Panamanian State and its obligations with regard to economic development and the furnishing of education, health, and social improvement services.
 3. Mutual advantage for the United States and Panama from a plan for cooperation and economic aid, on an emergency basis, in some cases, and on a long-range basis, in others, for the immediate improvement of the unemployment situation and for enlarging and strengthening the basis of Panamanian economy.
 4. An economic cooperation plan.

The Panamanian Government statement said Mr. de la Guardia divided his economic cooperation plan into two parts.

One part referred to funds for an emergency program, and the other to long-term measures connected with the future development of Panama.

Arellano Lennox said today that the reference to the flying of the Panamanian flag in the Canal Zone was just what the university students had in mind when they launched "Operation Sovereignty," the flag-planting foray into the Canal Zone May 2. He added that a Panama University student convention 2 years ago had resolved that Spanish should be the official language of the Canal Zone.

A student spokesman also denied that the university students intended to exploit Eisenhower's refusal to meet them in the university.

The spokesman said:

To exploit implies the use of coercion to force the acceptance of our ideas. This would mean conducting the student movement along lines contrary to the

principles of a democratic organization. We reject such conduct.

On the other hand, upon seeing it played up in certain North American newspapers that the University Students Union is led by Communist principles, we want to make it clear once and for all that while the university includes students of all shades of political opinion, the University Students Union has maintained an all-out fight against the Communist philosophy and against everything that means totalitarianism.

The current issue of the *University Voice*, a newspaper published by the Students Union, describes the present Government of Panama as being "infiltrated by confessed and repentant Communists." The publication declared, presumably in reply to charges that there is communism in the student movement. "Communism is in the Government, not in the student movement. The knowledge escapes no one that an avowed Marxist is to be found behind the presidential chair."

This is taken to be a reference to Presidential Adviser Diogenes de la Rosa.

The Eisenhower appointment yesterday with greatest impact on the Canal Zone was probably his meeting at La Cresta with representatives of Locals 900 and 907 of the American Federation of State, County & Municipal Employees, AFL-CIO.

Calling on Eisenhower were Local 900 President Harold A. Rerrie, Local 907 President Alfred J. Morris, AFSCME International Representative William H. Sinclair, Local 907 Secretary-Treasurer Ricardo Martin, and Local 907 Adviser Jose de la Rosa Castillo.

They presented to Eisenhower the following list of their aspirations:

1. A 10-percent wage increase for all Panamanian employees in the Canal Zone who will not receive any substantial increase from the application of the single wage scale.

2. That the adjustment of incumbents into the single wage structure be made according to the grade and step presently held by the incumbent so as to protect his seniority.

3. We disagree with the present policy of fixing wages based on the area of recruitment. Experience has taught us that this is not the most practical or fair method. The Panamanian Government fully supports this point of view.

4. It is necessary that the U.S. Government support and back the efforts of AFSCME, AFL-CIO, and the local unions to put over their low-cost housing project for Panamanian workers in the Canal Zone.

5. The elimination of segregation that still exists in the Canal Zone.

6. More support to Panamanian Union in the Canal Zone, by U.S. Government agencies.

7. We insist that Panamanian workers in the Canal Zone should have representation on the Canal Zone Board of Appeals.

In answer to a question by Eisenhower, the union leaders conceded that in their viewpoint the segregation situation in the Canal Zone had improved considerably over the last 5 or 6 years.

Eisenhower told them his brother, President Dwight D. Eisenhower, was strongly opposed to segregation, and had probably done more to eliminate it than any other American President. "But," said Eisen-

hower, "it was well known that the minds of all the people could not be changed at one time."

Sinclair said today that Eisenhower told union leaders that final passage of the single wage bill is only a routine matter now.

Sinclair added that he and other members of the labor groups were very pleased with the cordial and friendly atmosphere in which the conference was held.

Reirie expressed great satisfaction in meeting with Eisenhower and members of his delegation and the opportunity afforded to the Canal Zone noncitizen labor groups to present their views on a number of issues.

According to Sinclair, Eisenhower—

expressed great interest in the low-cost housing project being sponsored by the International union for noncitizen workers of the Armed Forces and the Panama Canal Co. Eisenhower said he had already received some information on the acute housing situation in Panama and was apparently definitely pleased with the efforts being made by the labor unions to help find a permanent solution to this tremendous problem.

In a statement issued by Sinclair he said:

Union leaders felt particularly happy over the fact that Eisenhower knows AFSCME President Arnold S. Zander personally, which made them feel that the highest sources in Panama, the Canal Zone, and the United States will be backing the housing project, scheduled to get under way with the forthcoming arrival of Martin Frank, housing adviser to the union, and Thomas Morgan, international director of organization for AFSCME.

Reirie informed Eisenhower of the actions taken locally and in Washington in connection with the unions' bid for a wage increase of 10 percent, equal to that recently received by United States citizens employed in the Canal Zone and particularly since the single wage bill will not provide for any overall wage increases for the vast majority of workers who will remain on locality rates.

According to the statement:

Sinclair and Reirie were very firm in pointing out to Dr. Eisenhower that they wanted to see someone representing zone workers appointed to the Canal Zone Board of Appeals as set forth in the suggestions made by members of House Committee on Post Office and Civil Service in H.R. 6708.

They stated that they did not want to see a yes man appointed to the Board, but instead they wanted someone, preferably a labor man, placed on the Board who would stand up for the rights of the workers at all times, and be removed in the event he fails to do so. The union officials said the White House will hear a great clamor if this important suggestion made by the House of Representatives is bypassed.

Other matters raised by spokesmen of local 907 in connection with discrimination, support of labor unions in the zone by Government agencies, the fixing of wage rates and adjustment in the single wage structure, would be discussed locally and a full report on the entire conference will be made to President Eisenhower, Eisenhower said.

Another important issue in which the local unions are now interested cover the reduction or elimination of a 30-percent tax levied against aliens receiving civil service retirement benefits was not discussed at the conference yesterday, but was referred to the Foreign Minister for him to take up with Eisenhower, inasmuch as this would involve a tax treaty or convention between the two Governments.

The Foreign Minister promised to discuss the matter with Eisenhower and take the necessary steps to seek an agreement which would benefit all those employees who will be covered by the civil service retirement benefits in the future and those who are already receiving such benefits.

Social highlight of yesterday's schedule was a dinner given by President de la Guardia at El Panama-Hilton last night for Eisenhower and a total of 57 guests.

Eisenhower had entertained the President and his cabinet at lunch.

The Panama Canal tugboat *Culebra*, which is often used to take tourists on sightseeing tours of the canal, was decked out like a Mississippi riverboat to receive the distinguished passengers.

She was all gleaming brass and fresh paint and under the canopy on the afterdeck, green canvas chairs were set out together with tables decked with shining silver coffee pots and refreshments.

The Eisenhower party arrived on schedule at 9:15 a.m. in a motorcade of black official cars which drove down onto the wharf by Pedro Miguel locks where the *Culebra* was waiting.

Potter had arrived a few minutes earlier and was the first to greet Eisenhower and his daughter, Ruth, at the gangway.

Eisenhower, wearing a sports shirt and a panama hat, lost no time in getting aboard and was moving around chatting informally with the other guests as the tug steamed away up the canal in brilliant sunshine.

[From the Americas Daily, Miami Springs, Fla., of July 15, 1958]

U.S. MISSION GETS PANAMA'S ECONOMIC PLAN

PANAMA.—The Presidential Office published last night the following communique on the conference held yesterday between the U.S. mission presided by Dr. Milton Eisenhower and a group of Panamanian officials presided by President de la Guardia:

In an atmosphere of the greatest cordiality, the President of the Republic and the members of the Cabinet extensively revised with Dr. Milton Eisenhower and his group the relations between Panama and the United States, with the aim of finding ways to strengthen them, on the basis of the progress made to date, in particular regarding approval by the United States Congress of the laws necessary to bring into effect the agreements of 1955 measures in which the intervention of President Eisenhower has been decisive.

Immediately after, the President submitted to Dr. Eisenhower the following points:

Paragraph A. Treaty relations between the United States and Panama.

1. A fair interpretation of agreements in effect.
2. Guaranty of the Canal Zone market for Panamanian commerce and industry.
3. A rate for supply of water to Panama.
4. A single wage scale (in the Canal Zone).
5. Refund of import duties for liquors sold in the Canal Zone.

Paragraph B. Creation of a better moral climate of cooperation between the peoples of Panama and the United States.

The flag of Panama in the Zone and adoption of Spanish as the official language.

Paragraph C. Problems of economic social development:

1. The United States must take primary interest in the development of all Panamanian economic possibilities as the only way to face the needs and demands of her population, which is rapidly increasing.
 2. The Panamanian state and development, rendering services its obligations regarding economic in education, health and social improvement.
- C. Reciprocal convenience for the United States and Panama of a plan of cooperation and emergency economic aid in some cases and at long term in others, to improve immediately the situation of unemployment and to expand and strengthen the foundations of Panamanian economy.

The President submitted to the consideration of the visitors several projects drafted by the National Government, some of which were examined in detail and all of which awakened interest, to the point that it was agreed to discuss them more thoroughly before Dr. Eisenhower's departure.

[From the Christian Science Monitor of July 15, 1958]

PANAMA VIEWS EXPLORED—DR. EISENHOWER FISHES

(By Ralph Skinner)

PANAMA CITY, PANAMA.—In a double sense, it was a fishing expedition.

U.S. Government planes flew Dr. Milton S. Eisenhower and his party with Panama President de la Guardia and advisers to an island in the Pacific off Panama.

There a Panama Canal tug and two launches, plus U.S. Army launches took Dr. Eisenhower and the Panama President fishing.

PANAMA VIEWS PRESSED

As they fish, they will discuss the problems of Panama, economic and otherwise, continuing a discussion started July 13 with their staffs participating. It was to be a real sport-shirt conference without interruption except possibly when marlin or sailfish took the trolling bait.

The party was to stay overnight on the boats and return to Balboa early July 16 when Dr. Eisenhower is scheduled to leave for Honduras.

Since July 12, Dr. Eisenhower has been getting a thorough immersion in Panama's problems as presented by representatives of the ruling families here who also are Panama's top government officials.

All his information is presented from a strictly Panamanian viewpoint. Even during his visit July 14 in the Canal Zone, Dr. Eisenhower was accompanied by top Panama politicians.

One of them is Finance Minister Fernando Eleta, who has visited the Dr. Eisenhower home in the United States. The last time was only 3 weeks ago. Minister Eleta entertained Dr. Eisenhower on the evening of his arrival and is considered a personal friend.

There is some worry expressed by Americans here that Dr. Eisenhower may become so saturated with Panama propaganda that he cannot make a proper evaluation of the U.S. view in controversial matters. Others discount this by pointing out Dr. Eisenhower's astuteness and recalling that he is here for the purpose of learning Panama problems—which are basically internal ones.

SPECIAL PROBLEMS RISE

Panama has presented such problems as flying the Panama flag and making Spanish the official language in the Canal Zone. These are sops to students and nationalistic groups.

Panama's real need is money and plenty of it. A desperate need exists for a solution to the unemployment problem, low-cost housing, agricultural impetus, feeder roads, and rural development.

A new approach to the U.S. relations with Panama is long overdue, some think.

NEW APPROACH FAVORED

Perhaps Dr. Eisenhower, through his recommendations to his brother, can suggest a monetary gift to Panama in a decent, orderly fashion in some form of foreign aid. But it should be completely

divorced from Panama Canal operations and should not be paid as blackmail to stop Panama's threats of nationalizing or internationalizing the canal, observers say.

Treaty rights of the United States to fly the U.S. flag in the Canal Zone should not be subject to such constant harassment nor made the subject of demands as was done July 13, observers here believe. Dr. Eisenhower rebuffed students who arrogantly demanded that he should come to their campus not to lecture them but to listen to them. He invited them to sent representatives to talk to him at the American Embassy but they refused.

STUDENTS HOIST PLACARDS

Immature students have caused considerable trouble here, and on July 14 paraded with crude placards calling on "Milton" to go home, to note that the canal was Panama's, and that they demanded 50 percent of Panama Canal earnings.

Extreme security precautions reportedly exceeding those for the 1956 meeting of 20 American presidents indicated concern for Dr. Eisenhower's safety which did not make for good public relations here.

Indifference to the Eisenhower visit has marked the general attitude of the people of Panama, implying that the visit was to the ruling hierarchy. People in the street have the attitude we couldn't care less when the Eisenhower party drives through the capital city.

There is no opposition, just indifference.

[From the Washington Daily News of July 18, 1958]

MORE PANAMA DEMANDS LIKELY—IKE'S BROTHER STIRS TROUBLE

(By Edw. Tomlinson)

PANAMA CITY, July 18.—As a result of Dr. Milton Eisenhower's visit here the seeds of future trouble over the Panama Canal have been sowed.

Dr. Eisenhower referred to his trip as a "study mission" and said anything he discussed with officials would be reported to his brother and other Washington authorities only as an expression of Panamanian Government "aspirations."

Hardly had the doctor and his party left the isthmus, however, when some extreme Nationalists passed the word Uncle Sam is now committed to negotiate with Panama concerning new treaty demands.

To some politicians, extremists, and especially merchants this would mean virtual Panamanian domination of the economic and political life of this strategic waterway.

WHAT WE'VE GIVEN

Only in the last 10 days, the U.S. Congress appropriated \$20 million to construct another bridge across the canal connecting the northern and southern portions of the Republic.

A few days later legislation was completed which makes the wages and salaries of Panamanians working in the Canal Zone equal to those paid U.S. citizen employees.

At the urgent request of Isthmian merchants we have refused Panamanian employees the right to trade in Canal Zone commissaries and shops. We also upped the annuity which we were paying the Republic from \$430,000 to \$1,930,000. And we turned over to the Republic approximately \$25 million worth of land and real estate in the cities of Colon and Panamá City.

Apparently these concessions were considered chickenfeed.

We now are called on to discontinue all commercial activities in the Canal Zone. This would force 40,000 U.S. employees and their families to purchase all necessities, from food to medicine in the Republic.

Politically, they insist that the United States raise the Panamanian flag in what one fiery student described as equal majesty with the Stars and Stripes over the zone, the canal and all ships passing through.

Among other things, they also think we should agree to compel our citizens and officials in the zone to forget English and speak Spanish exclusively.

In the original canal treaty of 1903, the Republic of Panama granted the United States in perpetuity all rights, power, and authority within the zone as if the United States were sovereign of the territory. We have refused to change that document.

As the current Panamanian politicians see it, we have in effect agreed to discuss modifications of this agreement. They argue that Dr. Eisenhower came as special ambassador representing the President and that he heard highest Panamanian officials outline what they expected—and they point out these requests were put in an official communique.

Next day Dr. Eisenhower himself praised President de la Guardia for what he called a well thought out program. So far as the general public, particularly the Nationalists, are concerned this sounded like a commitment for future negotiations. The crusading students aren't going to let them forget it.

[From the Christian Science Monitor of July 19, 1958]

JUST BEGINNING?

MILTON EISENHOWER STUDY MISSION—THE 21-DAY VISIT OF THE PRESIDENT'S BROTHER TO CENTRAL AMERICA INCLUDES FISHING IN ECONOMIC WATERS AS WELL AS PANAMA BAY

(By Ralph Skinner)

PANAMA CITY.—Almost all day Tuesday two fishermen sat side by side in special swivel chairs on the stern of a U.S. Army launch. Watching baited lines twist and jump through quiet waters of Panama Bay, the fishermen discussed United States-Panama relations and the solution of Panama's problems, which are almost entirely economic.

The fishermen were Dr. Milton Eisenhower on a 21-day factfinding mission through six Central American nations, and Panama President de la Guardia.

The big topic was money from the United States and how to blow some strong winds on the Panamanian economic doldrums.

The money was requested on a repayable loan basis. Finance Minister Fernando Eleta told this correspondent no gifts or grants were requested by Panama, although, of course, they wouldn't be refused.

Interrupting piscatorial discussions was the word that American marines had landed in Lebanon. U.S. Under Secretary of State Roy R. Rubottom and Panama Foreign Minister Miguel J. Moreno flew back to Panama City immediately.

Immediate result of the 3-day visit, as seen by Finance Minister Eleta in an exclusive interview, is the better comprehension by Dr. Eisenhower of localized problems confronting Panama in relation to the Canal Zone. The Canal Zone Governor is under the Defense Department and not the State Department. Senor Eleta wants more Canal Zone purchases directed into Panama to bolster its economy and underwrite expansion of cattle, dairy, and agricultural industries. He emphasized Panama will not abuse the captive market it desires.

PANAMA "SATISFIED"

Panama officialdom is "quite satisfied" with the attention given Panama demands and proposals by Dr. Eisenhower and his team.

Panama expects priority to be given its needs and requests on account of the Eisenhower visit and expects that the United States will make feasible financing of Panama projects presented.

Senor Eleta, identifying Dr. Eisenhower as one of President Eisenhower's most trusted advisers, considers his recommendations will carry great weight. His authoritative opinion will be heard not only by his brother but by all in the U.S. Government concerned with Panama's future.

Senor Eleta is a personal friend of Milton Eisenhower and has visited his home many times. He expects to make repeated trips to Washington, pushing continuance of financial negotiation with the United States.

Senor Eleta said, "We want to get started on financial negotiations as soon as we can." The Finance Minister said most of the immediately realizable Panama projects should be underway by the end of this year. Long-range projects will be taking longer but all financial arrangements are expected to be accomplished prior to the 1960 termination of the de la Guardia administration, although actual projects may be incompletable by then.

MIDEAST SEEN BOOST

Senor Eleta sees the Middle East crisis as aiding Panamanian chances of getting aid. Raw materials and oil from Latin America are becoming more essential to the United States and emphasize the need of better Latin-American relations.

Senor Eleta said, "Obviously the only true friends the United States has, aside from the NATO block, are the Latin nations." Senor Eleta said Panama's definite planned projects are ready to start immediately on receipt of U.S. funds. Great emphasis was put on hydroelectric power, even more than on education, low-cost housing, feeder roads, or agriculture. Senor Eleta said, "I believe wealth, productivity, and the standard of living is directly proportionate to electric power per capita any country generates."

Whereas students talk unceasingly of the sovereignty of Panama in the Canal Zone, Senor Eleta said not one word was mentioned in the Eisenhower discussions on this topic.

More important, he indicated, is for Canal Zone Governor Potter to be relieved of the necessity to show a profit on Panama Canal operations, enabling him to give more impulse to the Panamanian economy, while he allegedly is sacrificing to get a profit for his canal operations.

Panama complained about the high cost of water sold by the United States in the Canal Zone to the Panama Government for resale to private citizens. Panama makes a profit at the present rate, but wants a bigger profit to finance sewerage systems and other public works.

Intensification of point 4 activities here was requested from Dr. Eisenhower. Furnishing U.S. funds for contemplated projects is not enough, as Panama's people must be educated to use the projected facilities.

The background furnished the Eisenhower team of U.S. leading lending organization officials included a statement that the population is increasing at a faster rate than the gross national product, with per capital income lower than in 1953. Sixty percent of Panama's population is under 25 years and a great number under 15. Dependency on the family breadwinner is too high. The ratio between Government fiscal income and the gross national product is 20 percent, indicating people are taxed so heavily that reproductive capital is not being accumulated for further investment.

Senor Eleta said:

We cannot by ourselves in Panama solve our economic problems, which in time become social and political problems. The United States, needing political stability in Panama, should have a primary interest in development of Panamanian economic possibilities.

Dr. Eisenhower's contacts here were limited to American officials and ruling families of Panama. Señor Eleta summed up the attitude of Panama's average man to the Eisenhower visit as "intense expectation of what will result from the visit."

Monday's setting sun backlighted La Cresta Hill, where Dr. Eisenhower waited at the U.S. Embassy residence for a student delegation, which never came since they had requested him to meet them in the valley below.

Panama newspapers which front paged the Panama President's proposals to Dr. Eisenhower one day, on the following day front paged the students' minimum demands on Dr. Eisenhower. The students are desirous of dictating U.S. foreign policy and demanded U.S. intervention in the Panamanian Government, among other things. Mirroring current preoccupation with what students think, a Panama Cabinet Minister said, "I think it would have been a good thing if Dr. Eisenhower had met with the students."

NO CRITICISM

Asked if any criticism of Dr. Eisenhower was voiced in Panama during his stay, Señor Eleta said:

None. Dr. Eisenhower carried himself cordially and amiably and with the dignity always characteristic of himself and his family.

The Wednesday morning drive from the capital to Tocumen Airport offered Dr. Eisenhower a reminder of Panama's economic needs. Observers wondered if Dr. Eisenhower, engrossed in protocol calls, fishing parties, formal dinners, and midnight receptions, noticed Panama subsistence farmers using centuries-old agricultural methods, and boys, almost men, stark naked along the road, and flimsy, thatched-roofed homes with palm sidewalls.

As the military air transport plane with the Eisenhower party became airborne for Honduras, the question arose how much the recollection of the Panama visit can withstand the impact of heavy schedules in five countries to be visited and remain vivid and vital for reporting to the President.

Backed by intimate personal relations with Dr. Eisenhower, Señor Eleta says he is unafraid of this. Said Señor Eleta:

Panama's position is so clear, so logical, everything will be all right. We extracted our conversations and sent a summary to President Eisenhower.

[From the Congressional Record, 86th Cong., 1st Sess., Feb. 25, 1959]

ISTHMIAN CANAL POLICIES—A CHALLENGE TO THE CONGRESS

Mr. FLOOD. Mr. Speaker, in previous addresses to the House on the Panama Canal, I have dealt at length with interoceanic canal problems, especially the diplomatic and juridical, following the Suez crisis in 1956. Two recent events have again attracted world attention to the isthmus.

The first was a Panamanian enactment signed by President Ernesto de la Guardia on December 18, 1958, which declared the extension of Panama's territorial waters from the internationally recognized 3-mile limit to a 12-mile limit; the second, the refusal of the Panama National Assembly to reconsider this action as requested on January 9, 1959 in a note by the U.S. Government. The first was treated by me in an address to the House, also on January 9, 1959.

Certainly, a matter so charged with serious implications as control of the approaches of the Panama Canal, which are essential for its successful operation and protection, cannot remain unchallenged and unclarified. They require a further statement so that the people and the Congress of the United States, all maritime nations, and various interests that use the canal, may be better informed.

In approaching this complicated subject, I wish to stress that the issues are fundamental, and challenge the right of the United States to meet its treaty obligations. Thus, they transcend all personal or political considerations and must be considered on the highest plane of statesmanship. Also, I desire to emphasize that, as regards the Republic of Panama and its people, I hold both in the highest esteem, and count many Panamanian citizens as valued friends of many years standing.

To this task of clarification, I now address myself.

UNITED STATES REACTED PROMPTLY

When reacting to the ex parte action of Panama allegedly extending its maritime jurisdiction surrounding the Canal Zone, what position did the U.S. Government take?

The note delivered on January 9 by our Ambassador to Panama contained the following significant points:

First. Stated that the United States considers the action of the Republic of Panama regrettable in view of a forthcoming international conference to consider the width of territorial seas.

Second. Expressed the view that there is no basis in international law for claims to territorial seas in excess of 3 nautical miles, and that there is no obligation on the part of States adhering to the 3-mile limit to recognize claims of other States for greater widths.

Third. Requested the Government of Panama to reconsider its action and reserved its rights in the area affected by the Panamanian enactment.

Fourth. Based the rights of the United States on article XXIV of the 1903 Hay-Bunau-Varilla Treaty.

Because of the importance of this provision, I shall quote it:

No change either in the Government or in the laws and treaties of the Republic of Panama shall, without the consent of the United States, affect any right of the United States under the present convention, or under any treaty stipulation between the two countries that now exists or may hereafter exist touching the subject matter of his convention.

The meaning of this treaty provision is clear and unambiguous. It should preclude application through unilateral action by Panama derogating in any manner the rights, power, and authority of the United States and world shipping with respect to the Panama Canal and Canal Zone. But it does not protect against agitations revealed as conforming to a worldwide conspiratorial program of Communist origin against the United States.

As could be expected, Mr. Speaker, by anyone adequately familiar with Isthmian diplomatic history, a formal request by the United States in a matter so vital could only lead to acrimonious and futile international debate. It is, indeed, significant that Panama quickly distributed copies of its action to all legislative bodies of the world in an effort to gain worldwide support for its unjustifiable attempt at boundary revision.

Most certainly, Mr. Speaker, the questions involved, which are covered by basic treaties, should not be permitted to become topics for debate. This can be prevented only by a clear-cut, unequivocal declaration by the Congress of the United States reasserting our historic and practiced Isthmian Canal policies.

PANAMA NATIONAL ASSEMBLY'S REFUSAL

Specifically, in response to the request of the United States, what did the Panama National Assembly actually do? It voted on January 13, 1959, after receipt of the U.S. protest, not to reconsider, for any reason whatever, the currently attempted extension of its maritime domain to the 12-mile limit. The prime purpose for this effort is obvious: encirclement of the Canal Zone with 9 miles of alleged Panamanian waters at each end, in effect, making the zone another Berlin.

It called upon all friendly nations to support the Panamanian pronouncement and directed that copies of the resolution be transmitted to all legislative bodies of the world. It castigated this speaker (Mr. Flood) as being public enemy No. 1 of Panama. It hurled numerous invectives that will receive no attention from him except to say that he has always been, and is, a true and realistic friend of Panama and its people; and that he will not be deflected from the proper discharge of his duty as a Member of the Congress of the United States by what must seem to those who view the situation objectively as the heedless, if not childish, actions of leaders in the Panama National Assembly.

Especially noteworthy, however, was the failure of the national assembly or its leaders to meet adequately the historical, diplomatic,

and juridical objections that have been repeatedly made on the floor of the House and published in the press of Panama. Rather, they have ignored or attempted to confuse these statements of facts.

UNDERLYING PANAMANIAN OBJECTIVES REVEALED

Of far greater significance, Mr. Speaker, than either the formal actions or failures of the National Assembly on the indicated occasion, was the revelation, in the heat of the 4-hour full dress debate preceding adoption of its resolution, of the principal underlying political aims of certain Panamanian leaders.

Deputy Aquilino Boyd, a former Foreign Minister of Panama, and now a candidate for President, made the following points:

First. Demanded that Panama receive half of the gross revenues of the Panama Canal.

Second. Asserted that the Panama Canal is now surrounded by 9 miles of exclusively Panamanian waters in which Panama can exercise definite acts of sovereignty.

Third. Enumerated these alleged acts of sovereignty as follows:

(a) Requiring the display of the Panama flag on vessels entering Panamanian waters.

(b) Exercising of vigilance over shipping to maintain internal security.

(c) Regulating fishing activities.

(d) Trying of persons for offenses committed on board ships in Panamanian waters.

(e) Requiring foreign war vessels to comply with Panamanian navigation rules.

(f) Enforcing customs, fiscal and sanitation regulations.

Imagine sanitation regulations to be enforced by Panama. God help the Canal Zone—God help Panama—God help everybody. You will have yellow fever and malaria once more devastating Panama and Central America and the southern United States. We want to help these people with our foreign-aid programs and with our point 4 programs. That is one criticism I have had of our foreign aid program and point 4 programs—every dollar of which I have supported from the very beginning. Not enough goes to Central and South America and to the Caribbean. It should be better handled and more should go to them. Let us teach these people how to help themselves so that they can handle their sanitation problems for their own welfare and for the welfare of the world. But, they are not yet ready. This is not paternalism—this is true friendship to our neighbors to the south. My heart is with them. My heart is with them but not with this cheap demagoguery. Why the best way in the world to be elected justice of the peace in Panama City is to stand up and to say, "The canal is ours. Give us the canal." How can you lose?

Deputy Alfredo Aleman, Jr., though less definite than Boyd, suggested that Panama may, first, charge vessels entering Panamanian waters for costs of aids to navigation; and, second, enforce Panamanian labor laws on Panama-flag vessels entering Panamanian waters.

Is that not a nice way to destroy the American merchant marine? That is the way to get elected, Mr. Speaker. I need not tell you, but if you have any doubt, read this.

These are some of the many requirements that Panama probably would impose if the validity of its enactment were ever conceded. Their significance is readily apparent to the ship operators of all nations as it is to all who are informed on the problems of the Panama Canal.

Should Candidate Boyd's insistence on 50 percent of the gross annual canal revenues for Panama, which would approximate \$43 million as compared to \$3,800,000 for present net revenues, ever prevail, the resulting deficit of approximately \$40 million would have to be borne by the overburdened American taxpayer or world shipping, with possible liquidation of the entire canal enterprise. This factor alone clearly illustrates how reckless politicians sometimes can involve themselves in proposals that are absolutely ridiculous and absurd.

Furthermore, Mr. Speaker, in view of the assertions and demands listed above and facts elsewhere developed in this address, I submit that if Panama has any enemy No. 1, he is not in the United States, but among its own radical leaders who, for political advantage, seem willing to bring their country to the brink of disaster.

PANAMA CANAL, A MANDATE FOR CIVILIZATION

Mr. Speaker, for a number of years I have served on the Committee on Appropriations with assignments to subcommittees for the Department of Defense, the Department of Commerce, and related agencies. The last includes the Panama Canal Company and the Canal Zone Government. Hence, I have lived with the canal situation over a long period of time. Visiting the Canal Zone on official duty on a number of occasions and reading widely in isthmian history, I have made a number of predictions in the past.

It is indeed a sterile satisfaction to me that all my fears have been justified in what has been a progressive deterioration and piecemeal liquidation of U.S. rights with respect to the Panama Canal.

Often have I pondered why such conditions as now prevail should ever have been allowed to develop at this crossroads of world shipping. I have come to the very definite conclusion that they are not accidental, but the result of a sustained effort in a long-range program in which the United States has unfortunately failed over a long period to meet its treaty obligations in safeguarding some essential features in management of the great waterway.

We undertook this tremendous task, Mr. Speaker, as a "mandate for civilization." It is up to us to measure up to that trust and not fail in it.

ATTEMPTED ENCIRCLEMENT VIOLATES TREATY

The principal historical and juridical facts that I have previously endeavored to present to the Congress with extensive documentation are: That the Panama Canal is an artery for world commerce; that its construction was undertaken by the United States at its own expense pursuant to international agreements, the 1901 Hay-Pauncefote Treaty, and the 1903 Hay-Bunau-Varilla Treaty; that the Canal Zone is constitutionally acquired domain of the United States in perpetuity for canal purposes; that the grant of this territory, "rights, power, and authority" within the zone, and its "auxiliary lands and

waters," is to the "entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority"; and that the treaty set up provides likewise for exclusive U.S. control over the maritime approaches from one high sea to the other as essential for free and open navigation and for efficient canal operation.

In 1903, when the Hay-Bunau-Varilla Treaty was ratified by Panama and the United States, the limits of the territorial waters of the Republic of Panama and Canal Zone were coterminous. No subsequent international agreement has changed those limits. To be valid, any change in them must be authorized in treaty or other convention in which all affected parties participate. Moreover, even if Panama could, by legislative action, extend its jurisdiction over the sea approaches to the canal, immediately the provisions of articles II and III of the 1903 treaty would become operative and apply to these approaches, which would become portions of the Canal Zone with exclusive jurisdiction for canal purposes vested in the United States.

At this point, I quote text of the indicated articles II and III of the 1903 Hay-Bunau-Varilla Treaty, which are commended for careful study:

ARTICLE II

The Republic of Panama grants to the United States in perpetuity the use, occupation and control of a zone of land and land under water for the construction, maintenance, operation, sanitation, and protection of said canal of the width of 10 miles extending to the distance of 5 miles on each side of the center line of the route of the canal to be constructed; the said zone beginning in the Caribbean Sea 3 marine miles from mean low water mark and extending to and across the Isthmus of Panama into the Pacific Ocean to a distance of 3 marine miles from mean low water mark with the proviso that the cities of Panama and Colon and the harbors adjacent to said cities, which are included within the boundaries of the zone above described, shall not be included within this grant. The Republic of Panama further grants to the United States in perpetuity the use, occupation and control of any other lands and waters outside of the zone above described which may be necessary and convenient for the construction, maintenance, operation, sanitation, and protection of the said canal or of any auxiliary canals or other works necessary and convenient for the construction, maintenance, operation, sanitation and protection of the said enterprise.

The Republic of Panama further grants in like manner to the United States in perpetuity all islands within the limits of the zone above described and in addition thereto the group of small islands in the Bay of Panama, named Perico, Naos, Culebra, and Flamenco.

ARTICLE III

The Republic of Panama grants to the United States all the rights, power, and authority within the zone mentioned and described in article II of this agreement and within the limits of all auxiliary lands and waters mentioned and described in said article II which the United States would possess and exercise if it were the sovereign of the territory within which said lands and waters are located to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority.

Special attention is directed to the last sentence of the first paragraph of article II.

Thus, Mr. Speaker, the recently attempted surrounding of the Panama Canal by Panama is not only a violation of international law but a clear transgression of existing treaties that must not be countenanced. Therefore, the problem is one of juridical character in which the rights of the United States and world shipping must be protected. The De-

partment of State acted wisely in its note on January 9, 1959, refusing to recognize the claim of Panama to a "greater width of territorial sea."

SOVEREIGNTY ISSUE FELLED, EMBALMED, AND BURIED

More than half a century has passed since acquisition in 1904 of the Canal Zone. The key figures in that historic event have passed away and none with comparable knowledge or experience have taken their places. The canal enterprise has long been accepted by our people as a solved problem, with resulting lack of public interest.

Hence, it is not surprising that few persons realize that the central issue in the current canal situation, that of titular sovereignty, is not new. Rather it is an old one in a new guise.

In 1904, this issue was felled by Gov. George W. Davis and Secretary of State Hay. In 1905-06 and 1909, it was embalmed by Secretary of War and President-elect Taft, respectively. In 1923, it was buried by Secretary of State Hughes.

So what do we actually have: The exhumed corpse of a dead issue—a veritable political zombie.

VIEWS OF SECRETARIES HAY AND HUGHES

The diplomatic history of the sovereignty question is too long and complicated to be comprehensively covered here. But I do wish to quote Secretary Hughes, who, in 1923, when facing a comparable situation, handled it effectively.

In a conversation with the then Minister of Panama to the United States, Mr. Hughes, on December 15, 1923, declared with a refreshing degree of candor and vigor that the United States "would never recede from the position which it had taken in the note of Secretary Hay in 1904. This Government could not, and would not, enter into any discussion affecting its full right to deal with the Canal Zone under article III of the treaty of 1903 as if it were sovereign of the Canal Zone and to the entire exclusion of any sovereign rights or authority on the part of Panama"—*Foreign Relations, 1923, volume III, page 684.*

To this Secretary Hughes added:

It was an absolute futility for the Panamanian Government to expect any American administration, no matter what it was, any President or any Secretary of State, ever to surrender any part of these rights which the United States had acquired under the treaty of 1903.

That, Mr. Speaker, is the type of incisive treatment required today. We must not sit back and let evil triumph through our own indifference.

MARITIME-DEFENSE INTERESTS RECOGNIZE DANGERS

The inherent dangers in the situation at Panama, though not generally recognized yet in the United States, seem better understood in other maritime nations. In addition to the United States, other great maritime nations have addressed notes of protest to Panama: The United Kingdom, Japan, and France.

But far more alert to these problems than peoples and governments have been various shipping interests of the United States and other nations that use the canal and pay tolls. Moreover, our defense agencies are fully aware of the hazards and strongly oppose further weakening of our position in the Isthmian area. All these interests look to

the Congress for leadership in protecting the Panama Canal enterprise, for they know that to yield in principle will be fatal.

Another important consideration that should be kept in mind is that the extremely radical agitation hostile to the United States which obtains in Panama may be well calculated to induce among Panamanians, employed in the Panama Canal and U.S. defense organizations on the isthmus, a like hostility. Where will all this lead? Conceivably out of the large number of Panamanians employed under the recent treaty stipulations some might be brought to a similar viewpoint with resulting injury to the United States. If, for instance, any such Panamanians with communistic leanings, should decide to sabotage the canal or defense installations, the United States would be in a large measure powerless to prevent it.

Therefore, Mr. Speaker, how important it is that Panama as well as the United States should undertake no decisive step affecting their mutual relations except with advance notice and full discussion. The action of Panama in undertaking, in the absence of such notice, to extend in arbitrary fashion its sea limits is certainly not to be commended anywhere at any time—especially so where the welfare and destiny of nations are involved.

"MILK COW" DIPLOMACY STARTED AT PANAMA

When viewing the tremendous foreign aid programs of the United States today, many have wondered when and where they started. They were not launched with the Marshall plan in 1947, at Yalta in 1945, nor at Teheran in 1943, but for Panama in 1936.

On March 2 in that year, with the signing of the Hull-Alfaro Treaty, was started a process of Isthmian surrenders by our Government that has not yet been officially ended. It was further advanced in the 1955 Eisenhower-Remon Treaty, ratified by the United States without adequate public discussion and debate.

The results of the ensuing relinquishments have been withdrawal of important canal activities to the limits of the Canal Zone and impairment of some of them in it, but without surrender of the fundamental principle of exclusive Canal Zone sovereignty.

Perhaps the most notorious treaty action was that concerning the strategically important Panama Railroad, which, without authority of the Congress, was slated for liquidation.

As one who participated in blocking that effort, I speak with the background of personal knowledge. Imagine this, Mr. Speaker. While the treaty power was giving away the highly valuable terminal yards and passenger stations of that railroad, the Congress was saving its main line from abandonment. Now we are going to have a rail link without its adequately planned terminals. Can you imagine anything more ridiculously inept?

Altogether, events at Panama bring to mind the fact that in the times prior to the secession of Panama in 1903 from Colombia that Panama, because of its transcontinental railroad and resulting income, was long looked upon as the "milk cow" of Colombia.

Conditions have now changed. The Panama Canal, through our diplomatic failures, has become the "milk cow" of Panama; and the United States, the "milk cow" of the world.

PANAMA CANAL NOT A RELIEF AGENCY

Among the striking evidences of our extremely generous policy in Panama were the 1955 treaty provisions for donations of valuable properties (more than \$25 million) in the cities of Colon and Panama to the Republic, without any but token consideration, also for raising the annuity supposed to be paid by the Panama Canal Company from \$430,000 to \$1,930,000.

The impact of these and other gifts on the operation of the Panama Canal will be felt for many years. In a diplomatic sense they mean that the canal enterprise, an interoceanic commercial undertaking, has been used as an international relief agency. This confusion of a vast business project with foreign relief is unbelievable, for business and foreign aid are separate functions and should be kept so.

Fortunately, the Congress has taken the first step toward correcting this error, with legislation transferring responsibility for the additional \$1,500,000 to the annuity from the Panama Canal Company to the Department of State, which was responsible for it. This transfer, though just so far as the Department of State is concerned, remains a charge against the United States and must be borne by our taxpayers.

As an independent interoceanic public utility under the President, the Panama Canal operations must not be confused and weakened through ill-considered policies of placation, for it is not a local project for local political exploitation. Instead, it is one required by law, pursuant to treaty, to be self-sustaining with tolls that are "just and equitable" for the transit of vessels of all nations on terms of equality.

These, Mr. Speaker, are prime responsibilities of the United States for the implementation of which the Congress is the final authority.

PANAMA NO LONGER POSSESSES MONOPOLY OF CANAL ROUTES

Many explanations for the extreme and radical demands concerning the Panama Canal, emanating from the isthmus and elsewhere, may be given. But one of the most potent factors underlying them is the erroneous assumption in Panama that no other location exists for another Isthmian Canal—an assumption that is responsible for the bold, radical, and ever-increasing demands put forth in behalf of Panama.

During the crucial years of Panama Canal history, 1902–06, when the great decisions as to the choice of route and type of canal were made, Panama was undoubtedly the best choice from every controlling point of view, especially operations, engineering, and economy. Without question, the proper decisions were made, and many years of successful operations fully justify them.

But limitations that then applied, especially in engineering, no longer hold. All major engineering problems were solved long ago and now there are other routes competitive with the Panama route for major increase of interoceanic transit capacity.

Made even more competitive by the effects of the 1936 and 1955 treaty factors at Panama, together with extreme demands and actions in that country, some of these routes may be passing the Panama route in desirability from several important standpoints, including a more

satisfactory political climate—a determining factor, other things being equal.

At this moment, Mr. Speaker, pursuant to authorization of the House of Representatives, a distinguished Board of Consultants under the direction of the Committee on Merchant Marine and Fisheries is delving into the question of a canal at another location to take care of the greatly increased isthmian traffic of the future. These unjustifiable occurrences in Panama will doubtless cause this Board to search, with the utmost zeal, for another route.

To say the least, the current absurd and reckless demands under radical leadership at Panama may well force the United States to the alternative of another transisthmian waterway in preference to submission to the prohibitive costs inevitably involved in these demands.

UNITED STATES NOT THE "COMMON ENEMY" OF PANAMA

Among the most gratifying of my experiences in connection with the canal question are the many assurances of support, from various parts of the nation and from the isthmus. I am especially happy to state also that much of this support comes from thoughtful Panamanians, among whom the United States has many understanding friends. They very definitely do not approve of the extreme agitations and unrealistic demands affecting the Panama Canal that have been made since the 1956 Suez crisis. They know the history of their country and that their independence grew out of the canal enterprise. They appreciate that their nation's welfare depends on the efficient operation and management of the Panama Canal under the control of the United States. They also know that the United States is not their "common enemy" but their true and tested friend.

Unfortunately, the actions of some of their heedless leaders and agitators seem more determined to follow the example of Egypt in the Suez crisis and Communist leads rather than the real interests of their country. Their official actions present grave questions for the United States that must be adequately met.

RADICAL DEMANDS FOSTER DRIVES FOR INTERNATIONALIZATION

The vast majority of the North American and Panamanian people look upon the Panama Canal as an ageless institution. But this is not true. Those who know its history understand that were the United States ever to withdraw from the Panama Canal, the results would, indeed, be tragic for Panama and world commerce.

Attacks on U.S. jurisdiction are not new. They trace back to discussions in 1917 in Petrograd between the Red Guard and John Reed, a notorious American Communist newspaper reporter now buried in the Kremlin. During recent years an important factor in the agitations and disorders that have occurred on the isthmus has been their communistic pattern and design. In fact, international communism in 1956, following the Suez crisis, opened its agitational campaign aimed at wresting control of the Canal Zone from the United States by means of agents trained at the State College for Political and Social Science at Prague, Czechoslovakia.

Indeed, it is most extraordinary that a few U.S. citizens, including several in high stations in life, have, since 1956, urged internationalization, a proposal that conforms to the long-range Soviet program that is so hostile to the United States. It is significant, however, that these leaders have never advocated nationalization by Panama. I hope that they and all others with similar views will study the isthmian question in all its phases. Then they should be able to form judgments based upon political realities and not idealistic theory or wishful thinking.

The great mass of the American people, especially those who have served with the Panama Canal organization or in the Armed Forces in the isthmian area and know the problems at firsthand, undoubtedly favor continued U.S. control. The radical demands in Panama hence cannot in any way serve to benefit that country, but they do aid and abet proposals for internationalization now being strenuously agitated from Communist sources. Such event, I know from a large correspondence, thoughtful Panamanians and Americans do not wish to occur. Significantly, it may be added, there have been no Communist proposals for nationalization of the canal by Panama.

Hence, all these radical and impossible demands in Panama can have but one result, that of helping to dig the grave of the Panamanian Republic. The retirement of the United States from control of the canal would certainly be fatal to Panama—fatal not only to its economy but also to its independence. It must be obvious, Mr. Speaker, to all thoughtful Panamanians, as well as North Americans, that though radical elements may be planning murder, they are actually preparing for suicide.

MUTUAL UNDERSTANDING NOT A ONE-WAY PROCESS

Mr. Speaker, when the 1955 treaty with Panama was concluded, the people of the United States assumed that it would demonstrate the mutual understanding and cooperation of the two countries for many years to come. This was accompanied by the specific provision that neither the 1903 nor 1936 treaties with Panama, nor the 1955 treaty, may be modified except by mutual consent.

How generously the United States has met its isthmian obligations is a matter of record. Some of them have been authorized by law: for example, the \$20 million bridge across the canal at Balboa. This project, for which bids were to be opened on February 11, if built, should improve economic conditions at Panama during construction and later serve the hinterland of the Republic.

But how well have certain Panamanian leaders, some of whom are in high stations, met the basic treaty obligation of mutual understanding and cooperation? The answer to this, Mr. Speaker, is also a matter of record—hostile agitations and propaganda against the United States, which has been repeatedly presented to the Congress in documentary form. Yet so far, the United States has taken no adequate action.

This treaty of 1955, Mr. Speaker, was designed to compose the economic and other relationships between the United States and Panama for the foreseeable future. Undoubtedly, this was the intention of the

treatymakers of both countries. Yet as soon as the United States implemented the treaty provisions, these radical demands in Panama arose and the recent assembly action was taken. By the same token, we can certainly expect that, if all the radical demands in Panama are granted, even greater and more preemptory ones are to be expected. This is certainly not the process of mutual understanding contemplated in the 1955 treaty.

In view of all this, will not the questions arise in the minds of U.S. taxpayers:

First. Who must bear the ultimate cost made necessary by that treaty, including the \$20 million bridge at Balboa, where an adequate free ferry provided by the United States has long been satisfactorily functioning?

Second. Why should we be taxed to meet these costs when they fail to achieve the intended purpose of good will and mutual understanding on which they were based?

In this connection, I may say, that my correspondence voices strong demands that the Balboa bridge project be suspended until the attempted encirclement of the Canal Zone by Panama is rescinded.

ISTHMIAN CANAL POLICIES A CHALLENGE TO THE CONGRESS

Mr. Speaker, from what has been said here today it is clear that the isthmian question is headed toward even graver developments than have so far transpired. These are not the words of a prophet, but deductions enabled by close observation and study, and the realization of what occurred in 1958 when riots, taking place during students demonstrations against the Panamanian Government, were responsible for the deaths of many Panamanians. Current reports of expected revolt in Panama, coupled with finding of arms caches in that Republic, and other recent revolutionary events in the Caribbean, presage future grave incidents which, in tragic consequences, may make those of May 1958 appear insignificant.

The history of the isthmus is complicated and not understood as it should be, either in Panama or the United States. Its problems are grave; and they can be surmounted only if dealt with promptly and effectively.

Mr. Speaker, the situation with respect to the Panama Canal is indeed of the gravest character. Those in charge of the Communist movement in Latin America, and especially in the Caribbean area, have undoubtedly focused their conspiratorial activities on the Panama Canal with the purpose of causing the destruction of amicable relations between the United States and Panama, with complete liquidation of U.S. controls over the canal itself.

While I would not charge that the Government of Panama is one of communist character, yet it is undoubtedly true that overall Communist purpose is to subvert any government where situations present themselves as fertile fields for communistic endeavors. They are always fishing in troubled waters and, with the devil's cunning, are usually able to capitalize on situations thus created. Therefore, it is but natural that the Soviet Government should properly "recognize" the ex parte territorial declaration by Panama touching the matter of sea approaches to the canal. So far as I know, Panama made no

appeal or gave any notice to any international body or to the great maritime nations using the canal as to its intention to take the gravely important step involved. This certainly did not serve the purpose of "mutual understanding and cooperation" that should prevail. Small wonder that it has met with Soviet approval.

Commenting further on Soviet influence in the Caribbean area, we must recall that in 1958 in Venezuela and just now in Cuba, occurred the overthrow of two Latin American governments, with daily reports of summary executions in the latter country that were shocking to the people of all lands of constitutional liberty. Only governments of law can bring peace and prosperity.

We may well expect other convulsions in the Caribbean area, especially in the littoral nations of the American isthmus, and this regardless of whether there are any basic justifications. The obvious Communist objective is the maritime separation of the two coasts of the United States by Communist controlled countries, as illustrated by the recent Communist effort in Guatemala.

To meet these situations, it is necessary to understand the issues in their broadest sense and that they are exceptional. Their handling requires men of exceptional qualifications. The past failures in some important isthmian policies are frightening. In every sense, they constitute a serious challenge to the Congress.

As to the basic question of future major increases of transit capacity, as previously stated, an inquiry into that is underway by men of the highest professional attainments and independence. In regard to discussions of sovereignty and jurisdiction over the Canal Zone and Panama Canal, that matter is now before the Congress in House Concurrent Resolution 33, 86th Congress. This measure would reaffirm our long-established and practiced isthmian policies, serve notice that this Nation will continue its control over the Panama Canal, and counter the movements now converging on the Isthmus of Panama.

Mr. Speaker, the United States, in some of its policies, has played the part of "Uncle Sap" long enough. The time has come to resume its historic role of "Uncle Sam"—a role, though generous in its policies, was firm in the protection of the Nation's just interests.

As partial documentation upon which some of the foregoing remarks are based, under leave accorded, I include a copy of House Concurrent Resolution 33, 86th Congress and a number of statements published in the United States and Panama, commended for perusal, especially by committees of the Congress that deal with interoceanic canal questions.

Among the statements quoted, special attention is invited to that of former President Harmodio Arias, who presents the Panamanian viewpoint, which I believe, are fully answered in this and previous address I have made on the subject.

The resolution and statements follow :

HOUSE CONCURRENT RESOLUTION 33

Whereas there is now being strongly urged in certain quarters of the world the surrender, by the United States, without reimbursement, of the Panama Canal, to the United Nations or to some other international organization for the ownership and operation of the canal; and

Whereas the United States, at the expense of its taxpayers and under, and fully relying on, treaty agreements, constructed the canal, and since its completion, at large expenditure, has maintained and operated it and provided for its protection and defense; and

Whereas the United States, following the construction of the canal, has since maintained, operated, and protected it in strict conformity with treaty requirements and agreements, and has thus made it free, without restriction or qualification, for the shipping of the entire world; and, in consequence of which, with respect to the canal and the Canal Zone, every just and equitable consideration favors the continuance of the United States in the exercise of all the rights and authority by treaty provided, and in the discharge of the duties by treaty imposed: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (1) it is the sense and judgment of the Congress that the United States should not, in any wise, surrender to any other government or authority its jurisdiction over, and control of, the Canal Zone, and its ownership, control, management, maintenance, operation, and protection of the Panama Canal, in accordance with existing treaty provisions; and that (2) it is to the best interests—not only of the United States, but, as well, of all nations and peoples—that all the powers, duties, authority, and obligations of the United States in the premises be continued in accordance with existing treaty provisions.

[Department of State press release, Jan. 10, 1959]

UNITED STATES DELIVERS NOTE TO PANAMA ON 12-MILE TERRITORIAL SEA LAW

Our Ambassador to Panama delivered on January 9 a note to the Panamanian Government in which the United States stated its non-recognition of the provisions of the recently enacted Panamanian law providing for a 12-mile territorial sea and reserved all of its rights in the area which is the subject of the law. The text of the U.S. note is as follows:

EXCELLENCY: I have the honor to refer to your note No. 1096, dated December 23, 1958, transmitting a copy of Republic of Panama Law No. 58, of December 18, 1958, which has as its purpose the extension of the territorial sea of the Republic of Panama to a distance of 12 miles from the coast.

I have been instructed to state that the U.S. Government considers this action of the Republic of Panama is regrettable in view of the recent action of the United Nations General Assembly in voting overwhelmingly to call an international conference to consider the breadth of the territorial sea and fishery matters.

It is the view of my Government, as expressed at the United Nations Law of the Sea Conference and on previous occasions, that no basis exists in international law for claims to a territorial sea in excess of 3 nautical miles from the baseline which is normally the low-water mark on the coast. Furthermore, in the U.S. view there is no obligation on the part of states adhering to the 3-mile rule to recognize claims on the part of other states to a greater breadth of territorial sea.

My Government hopes that the Government of Panama will find it possible to reconsider its action and awaits the further consideration of the question of the breadth of the territorial sea by the international community. In the meantime the Government of the United States reserves all of its rights in the area which is the subject of Republic of Panama Law No. 58 of December 18, 1958.

Accept, Excellency, the renewed assurances of my highest consideration.

The Department wishes to point out, in view of the many inquiries, that this new Panamanian law cannot affect the rights of the United States with respect to the Panama Canal. Article XXIV of the con-

vention of 1903 between the United States and Panama, relating to the canal, provides:

No change either in the Government or in the laws and treaties of the Republic of Panama shall, without the consent of the United States, affect any right of the United States under the present convention, or under any treaty stipulation between the two countries that now exists or may hereafter exist touching the subject matter of this convention.

[From Congressional Information Bureau, Washington, D.C., Feb. 4, 1959]

Following today's session of the House Merchant Marine Committee, Chairman Bonner announced that the following are some of the matters that should be looked into:

1. Trans-Isthmian Canal study: Over a year ago the committee, recognizing a trend toward the obsolescence of the present Panama Canal and the early prospect of congested traffic conditions due to the increase in numbers and size of ships transiting the canal, initiated a broad study into the need for modernization of existing facilities and the possible need for additional or alternative facilities. In this connection the committee secured the services of a group of the foremost engineers in the United States to examine the situation and make recommendations for future action, either by way of improvement of the existing canal, the construction of a new one, or both. During the past Congress these engineers, as a board of consultants to the committee, have examined existing engineering data on the 30-odd routes proposed at various times for a canal crossing at various places in the central American isthmus. The board of consultants has visited and inspected the present canal and familiarized themselves with the construction and operating problems involved. A preliminary report was submitted to the committee after the adjournment of the last Congress, covering recommended immediate improvements required to continue the efficient operation of the canal, pending a complete study.

During this session the board must make further studies of the Panama Canal and of the canal route heretofore proposed through the Republic of Nicaragua. It is anticipated that their final report will be received sometime about the middle of this year.

The importance of the work of this board cannot be overestimated since it has been predicted that the present canal will be unable to handle the volume of traffic expected by 1970. In view of the time required for engineering and construction work of the magnitude involved here, it is essential that the Congress be provided with workable ideas for future expansion in the earliest possible time.

[From Economic Council Papers, Sept. 1, 1953]

IT STARTED AT PANAMA—WHERE WILL IT STOP?

(By Earl Harding, vice president, National Economic Council,
New York, N.Y.)

The great American giveaway series did not start with the Marshall plan in 1947, nor with Yalta in 1945, nor with Teheran in 1943.

The first game of the series was played with Panama in 1936, and the kickoff of another session with the same team is scheduled for the political stadium in Washington on September 10, when Panama's representatives will begin negotiating for more concessions.

It was "in furtherance of the good-neighbor policy" that Quarterback Franklin Delano Roosevelt on March 2, 1936, dropped into the arms of the Panama politicians our priceless treaty rights to defense bases outside of our 10-mile-wide Panama Canal Zone.

That planned fumble cost American taxpayers much more than the million-plus dollars in rental paid to the Panama Government during World War II for permission to plant our guns, build our roads, landing fields, bomber bases, and nearly 400 buildings on Panama's pasturelands and in her swamps and jungles adjacent to the Canal Zone.

WORSE THAN PROFLIGACY

It took endless negotiating to obtain the permission—where we formerly had the right under the 1903 treaty which F.D.R. abrogated—to use Panamanian territory for defense purposes. Finally our Army was forced to withdraw in 1948 and abandon buildings and improvements which had cost well over another million dollars to create.

The giveaway of money to Panama was in the pattern of national profligacy set by F.D.R. and not yet abandoned. But giving away our treaty rights to protect the lifeline of our national defense was in the pattern F.D.R. set when, without consulting them, he gave away the territories and liberties of Poland and China.

And now, if Panama's desire for still further concessions is not satisfied, pressure in behalf of Panama such as Alger Hiss in 1946 brought to bear through the United Nations, may take the form of demanding internationalization of the Panama Canal.

Just as Communists have infiltrated inside and outside the Canal Zone, so have exaggerated ideas of supernationalism taken hold in Panama. Since the United States created the Republic of Panama in 1903, a generation of Panamanians has been schooled to believe in the fiction that their "founding fathers" actually won the independence.

Of course, Panama history books haven't told Panamanian youth that only a handful of conspirators, most of them employees of the Panama Railroad, then owned by the French Panama Canal Company, knew that a revolution was planned.

A DELUDED GENERATION

If there is to be straight thinking on the coming agitation for more concessions to the Republic of Panama, some of the forgotten or half-told history should be recalled now. It will be needed to offset the screams of "aggression" and "infringement of sovereignty" which will be turned on again, as they were in 1947 when rioting students terrorized the Panama Legislature to vote down an extension of U.S. leases on defense bases.

Panama, formerly a Province of Colombia, was created in name, and in name only, an independent nation by acts of the United States. Our responsibility was officially denied until the truth was uncovered. Then Theodore Roosevelt admitted "I took Panama and let Congress debate."

Concealed documents, uncovered in Panama in 1909, disclosed that preliminary financing had been arranged in a New York bank and that American warships were to be on both sides of the isthmus. American marines prevented the landing of Colombian troops. The total casualties of Panama's soul-stirring war for independence were one Chinese onlooker and one donkey.

After the blow was struck, native politicians were sent under U.S. Navy escort to interior towns of the Province of Panama to notify them of then unexpected—and then unwanted—independence. Such was the status of the Republic of Panama—a creature of the United States.

All through the 10 years of canal construction and intermittently ever since, administrative and defense problems have been fraught with continual annoyance and needless expense. Time and again American authorities have had to supervise Panamanian elections and supersede or supplant Panamanian police and sanitation administrations. Friction is inevitable in any vital spot where there is dual or overlapping sovereignty.

When earlier treaty negotiations were with the mother country, Colombia refused to include the cities of Panamá and Colon in the proposed Canal Zone. Both lie entirely within the 10-mile-wide strip. Then, after T.R. resorted to taking Panama, anything the United States proposed could have been obtained, but no one in authority had the foresight to include the terminal cities. The plan of the Panama conspirators was to declare the independence of only the canal strip and the terminal cities, which were to be brought under the protection of the United States without reference to the rest of the Province.

FORESIGHT CAME LATER

The need for a wide zone to include the entire watershed of the canal was recognized in a report to Congress by General Edwards, in command at Panama in 1916, but nothing was done.

Unofficial warnings of future needs were recorded earlier by the author of this council paper. (See *World's Work*, October 1913, and text of address before Latin American Conference, Clark University, in *Journal of Race Development*, vol. 4, No. 4, April 1914.) He then advocated:

1. Anticipating future needs and taking them, as permitted by the Hay-Bunau Varilla treaty of 1903 as convenient and necessary, a Canal Zone 50 to 60 miles wide.
2. Including the terminal cities of Panama and Colon to avoid the frictions which have existed ever since.
3. Inducing the Republic of Panama to establish its capital in the western highlands of the province.
4. Returning the eastern end of the province to Colombia as a gesture sentimentally more effective than the cash indemnity of \$25 million which the United States finally paid to Colombia in 1922.

It was suggested that acquisition of territory for future defense could not be regarded as aggression—unless delayed until a new generation of Panamanians came to believe their sovereignty an inalienable right. They believe it now.

BUT APPEASEMENT HASN'T WORKED

Administrative friction, political agitation, and never-ending diplomatic discussions continued. On March 2, 1936, Franklin D. Roosevelt approved the abrogation of practically everying in the 1903 treaty to which the Panamanian politicians objected.

Senate opposition delayed our ratification of the 1936 treaty until July 1939. This treaty gave Panama an entirely new status.

Article I of the 1903 treaty was eliminated. It read: "The United States guarantees and will maintain the independence of the Republic of Panama."

The old treaty granted to the United States "in perpetuity the use, occupation and control" not only of the Canal Zone but also of—

any other lands and waters outside of the zone which may be necessary and convenient for the construction, maintenance, operation, sanitation, and protection of the said enterprise.

And further, under the old treaty, Panama granted to the United States

all the rights, powers and authority within the zone * * * and within the limits of all auxiliary lands and waters * * * which the United States would possess if it were sovereign of the territory within which said lands and waters are located, to the exclusion of the exercise by the Republic of Panama of any such sovereign rights, powers, or authority.

All that was abrogated in the following clause of the 1936 treaty, which is still in force:

The United States of America hereby renounces the grant made to it in perpetuity by the Republic of Panama of the use, occupation, and control of lands and waters, in addition to those now under the jurisdiction of the United States of America outside the zone * * * which may be necessary and convenient for the construction, maintenance, operation, sanitation, and protection of the Panama Canal or of any auxiliary canals or other works necessary and convenient for the construction, maintenance, operation, sanitation, and protection of the said enterprise.

Then, having abandoned our rights to defense bases outside the Canal Zone, the United States agreed with Panama, in article II of the 1936 treaty, that "if, in the event of some now unforeseen contingency" land outside the Canal Zone should be needed, the two governments—

will agree upon such measures as it may be necessary to take in order to insure the maintenance, sanitation, efficient operation and effective protection of the canal, in which the two countries are jointly and vitally interested.

The U.S. Government's right of eminent domain in acquiring property within the cities of Panama and Colon which might be needed for canal operation was renounced.

Also eliminated was the right of the United States to maintain public order in Panama if the Panamanian Government couldn't do so.

And the annuity of \$250,000 paid by the United States for use of the canal strip was increased to \$430,000—on account of the Roosevelt devaluation of the dollar.

The 1936 treaty made many other concessions to Panama. It restricted residence in the Canal Zone to American civilian and military personnel, established corridors within the zone for Panamanian convenience, and prohibited new private enterprises in the Canal Zone.

The effect of the 1936 treaty's ratification in July 1939 was summarized in such headlines as "The United States in Panama Pact Quits as Guardian, Becomes Neighbor—New Treaty Ends the Right of Intervention, Substituting Bilateral Cooperation."

WAR MULTIPLIES ANNOYANCES

Acquisition of bases for defense of the canal became imperative when war in Europe started in September 1939. Thereupon administrative annoyances multiplied. Communist infiltration as well as Nazi influences in Panama came to the surface.

Labor union organizers flocked in from Mexico and from the United States. Most of the Panamanian employees on the canal are now represented in collective bargaining agreements with the CIO. Many of them are children of West Indian laborers who were imported to help build the canal and who have become Panamanian citizens. Most of the skilled employees, citizens of the United States, have been unionized by the A.F. of L.

Red unionism, under the Latin American leadership of Vicente Lombardo Toledano, of Mexico, has had its toehold in Panama since Lombardo and the late Philip Murray of the CIO were photographed together for their joint promotion pamphlet "Labor's Good Neighbor Policy."

U.S. Army and Navy and canal authorities were necessarily tight-lipped about the annoyances attending their use of more than 130 defense sites. Obtaining access wasn't always painless, but responsible Panama officials were generally cooperative. The big question was "How much?"

A defense sites agreement was not finally signed in Panama until May 18, 1942. It granted to the United States only "temporary use for defense purposes of the lands referred to in the attached memorandum." Details were kept secret.

The agreement stipulated that "The Republic of Panama retains its sovereignty over the areas" and that all buildings "shall become the property of the Republic of Panama upon the termination of their use by the United States." The bases were to be evacuated 1 year after ratification of a definitive treaty of peace—not just after a cease fire.

Some of the 130-odd defense sites were small areas for observation towers, searchlight, or gun emplacements. Others were outlying uninhabited islands; some mere broad pastures or cleared jungle made into landing fields. The total area amounted to many thousands of acres.

Most of the land and water had little monetary value except in the minds of some Panamanian politicians who emphasized its international importance and suggested rental as high as \$1,600 per acre per year.

ANTI-AMERICAN CLAMOR

But neither protection of the canal and their own country nor the gravy flowing into their treasury silenced the anti-American elements. Clamor against "yanqui aggression" was popular even during the war, and was intensified immediately after V-J Day.

On September 2, 1946, the Panama Assembly unanimously demanded that the United States evacuate all defense sites immediately.

On the same day it was announced in Washington that 65 of the defense sites covering more than 10,000 acres had been relinquished, and that defense site rentals of \$975,587 had been paid up to June 30, 1945.

And on the following day Panama's President Enrique Jiménez announced that occupation of future defense sites wouldn't even be discussed until all had been returned.

Thereupon U.S. Ambassador Frank T. Hines left for Washington, and on September 12, 1946, a joint statement of the two governments announced that defense-base problems would be resolved by friendly negotiations.

But agitation continued. President Jiménez was quoted as demanding that the United States revise its whole attitude toward his country and make the 1936 treaty more effective in terms of benefits for Panama.

Panama has had four—or has it been five?—Presidents since 1948. The hope of the administration in Washington is that the present President of Panama, Jose Antonio Remon, formerly its chief of police, may be able to stay in office throughout his 4-year term which started October 1, 1952. Also that solution of Panama's economic problems through its people working harder and producing more food which our Canal Zone administration is willing to buy, may at last bring a measure of stability to our little neighbor.

THE VOICE OF MOSCOW—THE HAND OF ALGER HISS

Whether the voice of Moscow, resounding in the U.N., can stir up more discord in Panama is still a point to be watched.

In November 1946 the Soviet made a furious attack in the U.N. on the United States, charging that its defense bases around the world are evidence of aggression.

Alger Hiss, then head of the Office of Political Affairs of the State Department, without consulting or advising Spruille Braden, Assistant Secretary of State for Latin America, sent to the U.N. (largely Hiss' brainchild) a list of America's occupied territories and included in it Panama.

That gave Panama a text. Ricardo J. Alfaro, then Panama's Foreign Minister and chairman of its U.N. delegation, in a speech before the Trusteeship Committee of U.N., declared that Panama retains its sovereignty over the Canal Zone and that the State Department's report should be corrected.

Newspaper headlines gave the Assistant Secretary of State for Latin America his first inkling that such a report had been issued. Hiss could not be found that day to recall it. Mr. Braden demanded a showdown, because he was responsible for negotiations in behalf of our military authorities, who insisted that we still needed the bases in Panama. The Hiss report strengthened opposition of the Panamanian politicians while Mr. Braden was assuring the Pentagon of State Department support to get the bases under the terms of the 1936 treaty.

But Dean Acheson, then Acting Secretary of State, backed up Hiss. "I was infuriated by the stupidity—which I then thought it was—of putting Panama in the category of occupied territories," said Mr. Braden the day before this council paper went to press. "But I did not realize its full significance as a play into Russian hands until after Hiss' other activities were exposed."

Mr. Braden now recalls that immediately following the assist by Hiss a dispatch from London reported Parliament's being told by its very left Labor member, Zilliacus, that the United States should turn over control of the Panama Canal to the U.N. and that Britain should do likewise with Gibraltar and Suez.

On December 9, 1947, Dr. Alfaro resigned as Foreign Minister in protest against his Government's agreeing to consider extending the leases on 13 bases, the most important ones, which were then still occupied by us.

Following his lead, the Panama Assembly on December 23, 1947, unanimously rejected lease extension. Anti-American mobs surrounded the legislature vowing to lynch any member voting for the leases, and students and teachers threatened to call a general strike.

So the United States, in January 1948, abandoned the 13 defense sites and retreated within its Canal Zone. It is understood that future defense will be entirely from within the Zone limits.

How much further the American giveaway policy will be stretched to satisfy demands of the Panama politicians, commencing on September 10, remains to be seen. Panama's negotiators are to be Ambassador Roberto M. Heurtematte, who is stationed in Washington; Dr. Octavio Fábrega, former Minister of Foreign Relations, and Carlos Sucre, former Minister of Government.

Will Panama try to follow today's example at Suez? And when will American taxpayers stop the worldwide game of American giveaway?

[From the Washington Evening Star, Sept. 13, 1956]

RED PLOT SEEN AGAINST UNITED STATES ON PANAMA CANAL

(By Omer Anderson)

BONN, September 13.—International communism has opened an agitation campaign in Latin America against the Panama Canal, coinciding with meetings on internationalization of the Suez Canal.

The campaign is directed from Prague. It aims at stirring Latin American nationalism against control of the Panama Canal Zone.

Communist leaders feel that the Panama Canal—in the present troubled international situation—is a made-to-order Red propaganda target.

The campaign has these twin objectives:

1. To put the United States on the defensive in the Suez dispute.
2. To use the Panama Canal issue as a vehicle to infuse fresh vigor into Latin American anti-U.S. feeling.

TRAINED IN PRAGUE

Agitators have been dispatched, it is reported, from the so-called State College for Political and Economic Science, the big Communist overseas propaganda training center in Prague.

This institution specializes in agitation in the underdeveloped areas of the world.

The Communists reportedly hope to get backing from the political foes of Panamanian President Ricardo Arias. Elsewhere in Latin America, the campaign is being tied to local anti-United States and British issues.

Communist strength in Latin America, although not manifest recently, is strong. There is close contact between international communism's clearinghouse in Prague and local Latin American Communist movements.

The Panama Canal is a durable whipping boy of Communist agitation in Latin America. It is also a volcanic issue of Panamanian politics—long dormant, then suddenly erupting.

The Suez conference, according to reports from Prague, will be used by the Soviets as a forum for a wide-ranging discussion of Western imperialism. There is just enough similarity between the Suez and Panama Canals to give the Soviets an opening.

OLD COMMUNIST THEME

The Panama Canal "grab" by President Theodore Roosevelt's administration in 1901 is a treasured theme of Communist propaganda for Latin America.

Russia also is reported planning to move to the fore certain other Latin American controversies. These include Britain's ownership of British Honduras, disputed by Honduras, and of the Falkland Islands, disputed by Argentina.

One of the minds behind the pending campaign is reported to be Jacobo Arbenz Guzman, ousted as Guatemala's President by the Castillo Armas coup in 1954. Arbenz fled with his family to Switzerland.

He was brought to Prague last autumn, and is said to be a principal adviser to international communism of Central American affairs.

[From the Saturday Evening Post, Oct. 25, 1958]

THE UNITED STATES OF AMERICA CANNOT SURRENDER ITS RIGHTS IN THE PANAMA CANAL

Agitation in the Republic of Panama over the status of the Canal Zone features two claims: (1) "The canal is ours" and (2) Panama and the United States are equal partners in the canal, and should therefore split its gross revenues 50-50 while we meet all expenses.

In this country, some voices, notably Mr. James Warburg's, have been raised to suggest that we should internationalize the canal, to set a good example to Colonel Nasser.

None of these proposals makes sense. There is no legitimate comparison between the position of the American Government at Panama and that of the Suez Company in Egypt. As Congressman Flood, Democrat, of Pennsylvania, has pointed out in several speeches, the Canal Zone is "constitutionally acquired territory of the United States." While the British Government owned 43.75 percent of the Suez Company, and its administration was largely French, the company was an Egyptian enterprise, operating on a 100-year lease, when Nasser expropriated it.

Our treaty of 1903 with the Republic of Panama gave us sovereign rights over a strip of land 10 miles wide across the isthmus. The stated purpose of the grant was that we might build, maintain, operate, and defend an interoceanic canal, and the grant was perpetual.

We undertook to pay the Republic of Panama \$10 million in 1903, and an annuity thereafter. The payments have been increased several times, and now stand at about \$1,900,000. It is conceivable that this will be increased but the notion that Panama can rightfully claim a half share of the tolls is ridiculous. Yet it was put forward by the Deputy Foreign Minister of Panama, who now occupies a professor's chair at the University of Panama, where he instructs students in the fancied rights for which they riot periodically.

Charles Evans Hughes, Secretary of State in 1923, made this statement to the Minister from Panama when he raised the question of sovereignty in the Canal Zone: "It is an absolute futility for the Panamanian Government to expect any American administration, no matter what it is, any President or any Secretary of State, ever to surrender any part of those rights which the United States has acquired under the treaty of 1903."

Considerations of international law and hemisphere security make the Hughes declaration of 1923 even more valid today.

[From the Panama American, Dec. 21, 1958]

PATRIOTISM, PROFITS, AND CONTRABAND

SIR: Panama's politicians, whose patriotism extends no further than their own interests, in 1946 helped set Panama's financial status back 10 years by saying "Not one inch more of our land" and fostering the idea that the United States was the common enemy of all Panamanians. It is true that we must defend our country. But, on the other hand, why make it hard for 300, just to keep 6 in a favored position?

What have we done in Rio Hato since the Americans were forced to abandon the airfield there?

(a) We showed the world we were filled with patriotism.

(b) We went 10 years backward financially.

(c) Thousands of Panamanian citizens were left jobless.

(d) Housing problems for the poor increased since the U.S. Government abandoned all local-rate housing projects, thereby enabling property owners to rent apartments in Caledonia and Guachapali for \$50 or \$60.

(e) Servants can again be exploited for \$15 a month to wash, cook, and clean the house. During the war and before the Rio Hato base problem this was impossible.

Somehow we Panamanians managed to survive the 10-year step backward in our financial standing. As the years went by the merchants found they did not have enough cash for a new Cadillac every year, as their profits were not exorbitant. So they began thinking of how and who to cry to. Their cries were heard because unfortunately, they are big taxpayers. They crowded the late President Remon, and talked him into using the wrong approach.

When Dr. Harmodio Arias wanted to change the treaty in 1936 he did not need any public demonstrations. He simply went ahead and used his brains. I do not know Dr. Arias personally but I was old enough at that time to know he was working to improve the conditions of all Panamanians. During his administration he brought the country out of chaos without too many loans.

It is a pity that he is old now, but Dr. Gilberto Arias, his son, could and should do us some good under his father's tutoring.

Would Dr. Harmodio Arias have handled the 1955 treaty in the manner President Remon instructed him to? Heck, no. He would have worked through letters and personal contacts with the U.S. Government. I am quite certain he would not have used the "Cita con la Patria" method. With none of the noise and public demonstrations, Dr. Harmodio Arias could have obtained:

(a) Equal pay for equal work; and

(b) A much greater increase in the annuity than was obtained.

These are the two issues of most direct benefit to the Panamanian pueblo.

I would like to say something about contraband. I know contrabanding is wrong, and should be punished. But did contraband from the Canal Zone affect the exorbitant profits of the merchants of Panama during the war years? They were so busy counting their profits they had no time to cry about the commissaries, then.

Who was benefited by the closing of the commissaries, and who was harmed?

The merchants, who thought that their sales would increase and profits with them, were disappointed.

Everyone was harmed, including the merchants. The Canal Company was forced to lay off many of its staff, and those who stayed on working became more careful in their spending.

The commissary will continue to make profits simply because if sales fall employees will be laid off to bring down expenses accordingly.

Let me give a small example of how the merchants of Panama exploit the pueblo. They know that even the very poor try to have a Merry Christmas, and brighten up the home with such small things as new curtains. What did the merchants do this year to help these people have a merry Christmas? Not much. Curtain material such as damask was sold at 75 cents a yard up to the first week in December. As the Caja de Ahorros started to pay out the Christmas savings, the price went up to \$1.25 a yard. This is only one example.

Do these merchants believe people are still spending their money without thinking? It is true that we buy toys for our children, but why are the toys so expensive? Most of them are from Japan or Hong Kong, and we know the cost price of such merchandise. Is it just for the exploiting merchants to try to make a whole year's profit in 1 month?

They think that without our commissary privileges we will be forced to buy from them at any price. If they were established here back in the thirties they will remember when men bought empty flour sacks to make trousers. We can surely go back to those days.

The real price control office in Panama is the competition offered by the zone's commissaries. So let us real Panamanians stop biting the hand that protects us.

Let us spend money industrializing our own country, and let us attract foreign capital here. But let no one string us along with talk of a common enemy, be it the United States or the national guard. Hitler used the common enemy gimmick to distract the Germans' attention from what he was really up to.

POOR, SENSIBLE PANAMANIAN.

[From the New York Times, Jan. 10, 1959]

UNITED STATES WEIGHS STEP ON PANAMA ACTION—EXTENSION OF THE TERRITORIAL WATERS LIMIT TO 12 MILES STIRS SHIPPING CIRCLES

PANAMA, REPUBLIC OF PANAMA, January 9.—It is believed here that the United States may soon send to the Foreign Ministry of the Republic of Panama a note concerning the latter's recent extension of territorial waters from 3 miles to a total of 12 miles.

The geographical configuration of the isthmus is such that a rigid interpretation of the new law could box in both entrances of the Panama Canal. This would require international shipping seeking transit to traverse 9 miles of Panama waters each portal from high seas to reach the 3-mile limit off Canal Zone shores specifically granted by Panama to the United States in the basic treaty of 1903.

It is understood that two other maritime nations, Japan and Britain, have already directed notes to Panama's Foreign Minister, Miguel J. Moreno, Jr., concerning the possible embarrassment to ships flying their flags. Merchant fleets of both countries rank high in canal transits.

The measure unanimously passed December 13 by the National Assembly and signed December 15 by President Ernesto de La Guardia, Jr., provides that Panama's President will administer the law under certain conditions. These are in accordance with the constitution, existing treaties, commitments of the United Nations conference on rights of the sea held in Geneva in 1958, and Panama's historic position regarding special rights in the somewhat landlocked Gulf of Panama.

PRESIDENT MUST RULE

The law leaves implementation in the President's hands. He will determine the boundaries of the new territorial waters. No regulations have as yet been set forth on enforcement nor are the new boundaries charted.

The latter fact supports the hope among envoys here of the world's maritime nations that boundaries may yet be so delineated as to leave assured access to the high seas to canal portals since protection of Panama's fishing rights is understood to have been one of the major motivations behind the law.

A preamble to the law as introduced on behalf of a group of deputies representing all political factions would have extended the territorial waters without prejudice to commitment in international treaties in force for innocent passage of foreign ships which use the Panama

Canal international navigation lane. This disappeared from the measure before passage.

U.S. officials and others were surprised by Panama's enactment of the measure, which had the backing of her delegation at the Geneva Conference. It was thought participating nations would take no overt steps extending the territory until another sea conference had been held.

The bill on which Panama acted was sparked by Deputy Aquilino Boyd, who recently resigned as Ambassador to Mexico. He is considered an active candidate for the 1960 presidential elections.

NEWSPAPERS COMMENT

Newspapers controlled by several or more nationalist political factions have been publicizing the possibilities of the rights Panama allegedly gained by claiming waters beyond the canal portals. One paper observed that ships and crews entering might be subject to Panama's immigration law. Another remarked that ships traversing the territory most now fly the Panama flag. A third noted customs launches stationed at an offshore Pacific island within 12 miles could stop canal-bound vessels and send inspectors aboard.

The United States is understood to be basing its remarks to Panama partly on article XXIV of the 1903 treaty providing that no change either in the government or the laws of Panama shall, without U.S. consent, affect any U.S. right under the convention or under any treaty stipulation then or later.

Various other international commitments are reportedly considered pertinent in the issue.

NO TROUBLE LIKELY NOW

Shipping men whose vessels use the Panama Canal said they were not disturbed about any immediate prospect of trouble in the new territorial waters of the Republic of Panama.

However, they noted that most of the nations were firmly opposed to a unilateral decision by any nation to extend its sovereign rights at sea.

Technically, they said, the law gives Panama the right to control shipping crossing the 9-mile stretch while approaching or leaving the canal, at either end. A country with such a law might impose, for instance, transit fees. They might apply regulations calling for superfluous pilotage, for revenue purposes. They could control fishing in the area. They might, if they so chose for whatever reason, close the waters.

Unidentified official Washington sources have been quoted in connection with the new Panama law as contending that the United States-Panama Treaty of 1903 would still guarantee free and unlimited access to the canal. Nevertheless, the mere presence of the new territorial delineation is a source of anxiety, on principle.

The extent of territorial waters is a major international problem. Most nations recognize a 3-mile limit. A world conference on sea law in Geneva last year attempted to solve it. Another effort will be made in 1960, under authorization voted by the General Assembly of the United Nations last month.

[From the Washington Sunday Star, Jan. 11, 1959]

PANAMA NOTIFIED UNITED STATES REJECTS ITS 12-MILE LIMIT

The State Department announced yesterday it has notified Panama the United States refuses to recognize the new Panamanian law providing for a 12-mile territorial sea limit.

The note said passage of the law "is regrettable in view of the recent action of the United Nations General Assembly in voting overwhelmingly to call an international conference to consider the breadth of the territorial sea and fishery matters."

The United States asked Panama to reconsider its action.

Officials said the Panamanian action "cannot affect the rights of the United States with respect to the Panama Canal," under a 1903 agreement. The agreement provides that Panama may not upset U.S. rights by any means "without the consent of the United States."

[From the Panama American, Jan. 12, 1959]

PANAMA WILL REJECT FOREIGN PROTESTS ON 12-MILE LIMIT

The Panama Government plans to reject all protests over the extension of Panama's territorial waters limit from 3 to 12 miles, it was learned today from informed sources.

These sources revealed that in addition to the official U.S. protest received by the Panama Government last Friday, Japan has also sent an official note signifying its intention not to recognize the new territorial water limit.

It was also understood that Great Britain and France also intended to make known their official views in notes to the Panama Government.

According to the sources, Panama will reject all suggestions that the law extending territorial seas be reconsidered, as suggested in the note from the U.S. State Department.

In a formal note to Panama last week, the United States said the action was regrettable.

Furthermore, the U.S. note said, there was no obligation on the part of other nations to recognize the 12-mile Pan-American limit.

The note said:

EXCELLENCY: I have the honor to refer to your note No. 1096 dated December 23, 1958, transmitting a copy of Republic of Panama Law No. 58 of December 18, 1958, which has as its purpose extension of the territorial sea of the Republic of Panama to a distance of 12 miles from the coast.

I have been instructed to state that the U.S. Government considers this action of the Republic of Panama is regrettable in view of the recent action of the United Nations General Assembly in voting overwhelmingly to call an international conference to consider the breadth of the territorial sea and fishery matters.

It is the view of my Government, as expressed at the United Nations Law of the Sea Conference and on previous occasions, that no basis exists in international law for claims to a territorial sea in excess of 3 nautical miles from the baseline which is normally the low-water mark on the coast.

Furthermore, in the U.S. view there is no obligation on the part of states adhering to the 3-mile rule to recognize claims on the part of other states to a greater breadth of territorial sea.

My Government hopes that the Government of Panama will find it possible to reconsider its action and await the further consideration of the question of the breadth of the territorial sea by the international community. In the meantime the Government of the United States reserves all of its right in the area which is the subject of Republic of Panama law No. 58 of December 18, 1958.

The State Department, in answer to questions, said the new Panamanian law cannot affect rights of the United States with respect to the Panama Canal.

The Department pointed out that article 24 of the Panama Canal Convention of 1903 provides:

No change either in the Government or in the laws and treaties of the Republic of Panama shall, without the consent of the United States, affect any right of the United States under the present convention, or under any treaty, stipulation between the two countries that now exists or may hereafter exist touching the subject matter of this convention.

[From the Panama American, Jan. 12, 1959]

MORE BRIDGE PLANS READY—FOURTH OF JULY DUE TO BECOME FOUR-LANE BOULEVARD

Plans and specifications are ready for distribution to prospective bidders on the construction of the east approach to the new Balboa bridge across the canal.

This is one of five major contract jobs of the \$20 million project.

Bids are to be opened February 11 at Balboa Heights for this work which will include the widening of Fourth of July Avenue into a four-lane boulevard.

Other major features of the work will be the construction of cuts and fills involving about 350,000 cubic yards of material; the relocation or construction of various facilities; and construction of the embankment upon which four roadways will be built later to tie in with Fourth of July Avenue and the street system in Panama City.

It is estimated the east approach work will cost over \$1 million, being far more extensive than the work required in building the bridge approach on the west side of the canal.

A contract for the west approach at a cost of \$385,000 was awarded last month to Louis Sommer.

The contractor for the east approach work will have 440 days for completion of the job. This time limit will cover two dry seasons which will be needed for the proper construction and compaction of the extensive fills.

The bid forms, which were issued Friday by the Engineering and Construction Bureau, list 70 individual bid items.

These include 212,500 cubic yards of roadway excavation; the handling of over 100,000 cubic yards of rock or other borrow material; installation of over 2 miles of drains and culverts; placing over 20,000 square yards of street and sidewalk paving; construction of retaining walls; replacements of various facilities such as sewer and water lines, electric cables, and the small buildings; and installation of 1,600 linear feet of fencing and 900 feet of guard rail.

The embankment, over which the new roadway will connect the street systems at the limits with the bridge, crosses the mud flats between the Balboa tank farm and the Gavilian residential area.

It will pass immediately south of the houses in the Gavilian area.

Some sections of the embankment will be about 50 feet high with most of the fill material being taken from the cut required in Chorrillo Hill near the limits and from Albrook and Curundu borrow areas.

The two approach roads to connect with Avenida de los Poetas in Panama City will be built to the boundary line, approximately 500 feet from the end of that street.

The bridge connections with Fourth of July Avenue and Balboa Road at the limits will be at the existing grade level.

A new connecting link is to be built from Balboa Road to the bridge approach. This will be a short, curving roadway to permit merging traffic from Fourth of July Avenue or Balboa to move onto the bridge approach.

Because of the variety and extent of the work involved, the plans being issued contain no time schedules for the contractor other than the 440-day time limit for completion. The contractor will, however, be required to submit a general plan of operations and a time schedule for approval before beginning the work.

[From the Panama Star and Herald, Jan. 13, 1959]

REPRESENTATIVE FLOOD BRANDED REPUBLIC OF PANAMA'S NO. 1 ENEMY

Representative Daniel J. Flood yesterday was denounced in the Panama National Assembly as Panama's No. 1 gratuitous enemy.

The denunciation was made by Deputy Alfredo Aleman, Jr., in connection with Flood's remarks in Congress last week that Panama's decision to extend its territorial seas to 12 miles means another Berlin in the Canal Zone.

Both Aleman and Deputy Aquilino Boyd submitted a motion setting aside this afternoon's assembly debate for a reply to Flood. The motion was carried.

Aleman said yesterday that Flood rises in Congress to criticize bitterly the position of Panamanians who defend their country's rights stemming from relations with the United States. He added that just as Flood speaks unofficially, he also would speak as a representative of the people to protest Flood's assertions.

The National Assembly last month approved overwhelmingly the extension of Panama's territorial seas to 12 miles. The bill was signed into law by President Ernesto de la Guardia, Jr.

Over the weekend, the U.S. State Department disclosed it had officially notified Panama that the United States does not recognize the 12-mile sea limit. It asked Panama to reconsider its action.

Official sources in Panama declined to comment for publication on the State Department announcement, but indicated that Panama will turn down the Washington request for reconsideration. It was understood that an official statement will be issued this week on the matter.

[From the Christian Science Monitor, Jan. 13, 1959]

PANAMA EXTENDS CLAIM TO CANAL APPROACHES

WASHINGTON.—The Panama Canal may assume the status of a junior grade West Berlin issue, now that the Panama Government has officially extended its territorial limits 12 miles to sea.

Under existing treaties, the United States has rights only 3 miles seaward from the entrances to the great waterway.

Traffic through the Panama Canal might be harried if not demoralized if Panama should attempt to stop ships passing through its territorial waters approaching the waterway for customs or maritime formalities. This possibility has been hinted at.

The principal difficulty to the American authorities at the Canal Zone would be the delays to shipping which would inevitably ensue. Ship arrivals are pinpointed 24 hours in advance. Transit schedules are stated in terms of minutes to make maximum utilization of the facilities of the canal.

Unannounced stops of ships by Panamanian authorities could ruin the plans of marine comptrollers and dispatchers at the ocean shortcut.

CAREFUL PLANNING NEEDED

Transiting of the present heavy traffic through the Panama Canal requires careful planning. The canal organization is proud of the exemplary service to shipping it has been rendering for 44 years. Any interference would impair the usefulness of the Panama Canal and blot the reputation for efficiency it has won in the world of shipping.

It may result in reduced revenues for Uncle Sam, for the Panama Canal is not only maintained without cost to the American taxpayer but actually pays dividends to the Treasury annually.

Panamanian legislation extending the watery jurisdiction mentioned that the additional 9 miles embraces an area rich in fish. This is seen by observers to be a diversionary tactic.

Real purpose of the legislation is to provide a big stick to wallop Uncle Sam into revising the treaty with Panama to get the Panama Canal jurisdiction extended to 12 miles seaward, local observers believe.

BENEFITS CITED

The record shows that Panama receives major considerations with each treaty signed with the United States. The 1955 Remon-Eisenhower Treaty brought Panama about \$40 million in lands, buildings, and other benefits.

In Panama, it is seen likely that a treaty could be arranged granting the United States jurisdiction 12 miles from the entrances of the Panama Canal. The only question is the price tag attached.

Panama quoted action by Egypt, the Soviet Union, and Saudi Arabia, among others, as precedent for the local legislation. Egyptian nationalization of the Suez Canal touched off a flame for nationalization here which has been kept ablaze by politicians (who admit privately that it would be impracticable).

Saudi Arabian participation in revenues from oil exploitation there has been the model for ever-increasing Panama demands on the United States for exploitation of Panama's natural resource, the strategic location of the land granted for construction of the Panama Canal.

DEMANDS INCREASING

Panamanian demands on the United States are not new, but they are increasing in size and frequency. With a fine disregard for the facts,

politicians here tell the people that the United States has not lived up to its obligations; that it has mistreated Panama.

This has brought about a condition where anything which the United States may give to Panama in the form of technical assistance, direct grants of financial or other aid, long-term loans, etc., is often not received with gratitude and friendship, but as partial payment on a debt long outstanding.

The new legislation was introduced by presidential aspirant Aquilino Boyd, who until May had been Foreign Minister in the present administration.

[From the Panama American, Jan. 13, 1959]

REPUBLIC OF PANAMA HIGH SCHOOL STUDENTS OK 12-MILE LIMIT

Panama high school students were in agreement today that the Panama Foreign Office should energetically reject a recent note from U.S. Secretary of State John Foster Dulles protesting the extension of Panama's territorial waters limit to 12 miles.

In a communique issued yesterday by the Union of High School Students (UEU), the students said they would be behind any move taken by the Government to "demand respect for the sovereign rights of the Republic."

Meanwhile, press dispatches from London indicate that Britain is considering what action to take against Panama's extension of the limit of her territorial waters.

Britain has been informed of the Panamanian decision by her envoy in Panama, a British Foreign Office spokesman was quoted as saying.

The spokesman added that Britain was now considering whether to protest against the Panamanian move, but no decision so far has been taken in London.

France has also signified its intention of expressing its views on Panama's action.

Up to now, only Japan and the United States have officially protested the extension of the territorial waters limit.

Meanwhile, the National Assembly will consider a pronouncement against remarks made by U.S. Representative Daniel J. Flood regarding Panama's action, as the first item on the agenda of today's session.

This was the result of a proposal by Assemblyman Aquilino Boyd, who introduced the territorial extension bill into the assembly, and his colleague, Alfredo Aleman, Jr.

Some sources declared that the assembly will issue a "solemn oath" to uphold Panama's rights in exercising its sovereignty within the 12-mile territorial water limit.

Flood last week protested the extension and said it would convert the Canal Zone into a maritime enclave—"another Berlin."

The U.S. Congressman recommended that Congress pass a resolution refusing to recognize "the attempted stranglehold encirclement of the Canal Zone."

[From the Panama Star and Herald, Jan. 14, 1959]

**ASSEMBLY AFFIRMS REPUBLIC OF PANAMA RIGHT TO 12-MILE SEA—
VOTE AGAINST RECONSIDERING LAW UNANIMOUS—FORMER FOREIGN
MINISTER BOYD CALLS FOR NATIONAL SUPPORT OF DEMAND FOR HALF
OF PANAMA CANAL GROSS REVENUE**

The Panama National Assembly last night voted unanimously not to reconsider—for any reason whatever—the extension of Panama's territorial seas to 12 miles.

The reconsideration had been requested by the U.S. State Department last week in a formal note to the Panamanian Foreign Office. A bill providing for the extension of Panama's territorial seas from 3 to 12 miles was passed by the assembly on December 18 and was signed into law 2 days later by President Ernesto de la Guardia, Jr.

In the course of the 4-hour debate that preceded approval of the resolution, former Foreign Minister Aquilino Boyd, who is now in the assembly, called for national support of a demand for half the gross revenue of the Panama Canal as Panama's fair share of the benefits from the waterway.

Boyd said the United States-Panama partnership over the canal involves one partner who is too rich and one partner who is too poor—and this must come to an end.

The assembly's full-dress debate on the territorial seas question was provoked by last week's remarks in Congress by Representative Daniel Flood, Democrat, of Pennsylvania, who said that Panama's action had created another Berlin by surrounding the Panama Canal entrances, under U.S. jurisdiction, with waters over which Panama claims sovereignty. The U.S. jurisdiction over the Panama Canal Zone extends 3 miles out to sea.

The assembly's resolution castigated Flood as Panama's "Public Enemy No. 1" and presented him to the rest of the hemisphere nations as the personification of the bad faith which has contributed and still contributes to bring about disunity and ill will among countries which because of their destiny should treat each other as brothers.

Supporting the resolution which he helped draft, Boyd said last night. "Let not Mr. Flood doubt for a minute that the entrances to the Panama Canal are now surrounded by 9 miles of exclusively Panamanian waters in which Panama can exercise definite acts of sovereignty."

Boyd enumerated these acts as follows: The raising of the Panamanian flag on ships which enter Panamanian waters, as is the international custom; exercising vigilance over shipping, in order to maintain internal security, regulating fishing activities, trying persons for offenses committed aboard ships within Panamanian waters; requiring foreign warships to comply with Panamanian navigation regulations; enforcing customs, fiscal, and sanitation regulations.

Deputy Alfredo Alemán, Jr., who also participated in the debate, declared that what really is behind the protest of the United States and others against Panama's action is the fear that Panama will charge ships entering its waters for the cost of aids to navigation (lights, buoys, and so forth) and that it will enforce observance of Pana-

manian labor laws aboard Panama-flag ships entering Panamanian waters.

The Assembly's resolution called upon friendly nations to support Panama's pronouncement and "to extend to the Republic all the considerations and courtesies consecrated by international law." A copy of the resolution is being sent to all legislative bodies in the world.

Both the text of the resolution and the remarks by the various deputies stressed one point: That Panama acted in exercise of its sovereign rights in extending its territorial seas.

At the opening of the session, Deputy Harmodio Arosemena Forte, of the Liberal opposition, submitted a draft resolution, condemning Flood's "ignorance and bad faith." Arosemena and a Liberal colleague, Mario de Obaldía, spoke in support of the resolution, both attacking as ridiculous Flood's assertion that in extending the nation's territorial areas, the Assembly had been under Communist influence.

Then Alemán took the floor to submit another draft resolution, reasserting Panama's extension of its territorial waters and condemning Flood. Alemán repeated his previous refutations of Flood's frequent anti-Panama pronouncements in the Congressional Record, saying the Pennsylvania Congressman is completely unaware of the historical, juridical, and political truth of relations between Panama and the United States.

Alemán digressed to discuss Panama's complaints over the application of the 1955 treaty legislation, asserting that "what was approved in good faith, is being applied in bad faith." He cited one example in support of his charge that in the application on the new uniform wage scale regulations, Panamanians were being downgraded to keep them from attaining jobs paid at U.S. wages. The example involved a Panamanian he said, with 20 years service, who was downgraded from warehouse lead foreman to lead stockman.

"Not a step backward," Alemán exhorted assemblyman as he called for the reassertion of Panama's right on the question of the sea.

Boyd was the next speaker. He pointed out that while there was no agreement at the 1958 Geneva Conference on the law of the sea as to the extension of territorial waters, there was agreement that a 12-mile limit did not violate the provisions of international law.

The former Foreign Minister suggested that one reason for Panama's move at this time was the threat by the major powers of the world to call another conference at which present territorial waters would be frozen.

Boyd declared that while henceforth both entrances [are] Panamanian waters, Panama is on record that it recognizes the right of innocent passage by ships using the Panama Canal.

But, he added, Panama has full rights to carry out the acts of sovereignty he had enumerated earlier.

Boyd repeated the official Panamanian stand that the Canal Zone is Panamanian territory in which the United States has been granted limited rights.

"When our neighbors go beyond those limited rights," Boyd said, "it is up to us to tell them: 'Here and no further.'"

Brushing aside Flood's comparison of the situation here as another Berlin, as a scare attempt, Boyd went into a discussion of Panama's relationship with the United States over the Panama Canal.

It is true, he said, that Panama has derived benefits from the canal which place it among the most advanced nations of the hemisphere. But these benefits, he added, are not in proportion to what Panama has contributed to the canal enterprise and from which the United States has profited. He compared the United States-Panama relationship as being ruled by the law of the funnel—the wide part for them, the narrow parts for us.

There must be an effort made to create a national conscience, Boyd declared, in support of the demand that Panama is entitled to one-half the gross revenue of the Panama Canal.

When one partner gets more than \$100 million and the other only \$1,900,000, the partnership is not doing well, Boyd commented. Mr. Flood is right when he says that things are going from bad to worse—and they will keep like that until there is a fair distribution of benefits.

Boyd pointed out that Panama Canal transit tolls have not been increased since the waterway opened, despite the higher costs of every other activity. This, which he blamed on the shipping lobby in Congress, is tantamount to a subsidy to the American merchant marine—at the expense of Panama, Boyd declared. He noted that the Canal Company is one of the few Federal agencies that operates at a profit.

The assemblyman stressed that Panama was not asking for participation in the administration of the canal, but for 50 percent of the gross revenue. Boyd concluded that if Panama strives tenaciously for this demand and seeks the help of its sister nations of Latin America, it will achieve success.

After remarks by another deputy, Jorge Turner, in support of the extension of the territorial waters, Assembly President Elig Crepo called a recess and named a special committee, composed of those who had spoken during the debate, to draft a new resolution which combines the texts of the two proposals submitted at the start of the debate.

This was accomplished and when the new draft resolution was put to a vote, it was approved unanimously.

[From the Washington Post and Times Herald, Jan. 15, 1959]

PANAMA STANDS FIRM ON NEW 12-MILE LIMITS

PANAMA, January 14.—The National Assembly unanimously rejected last night a U.S. request for reconsideration of its laws extending Panama's territorial waters. The extension to 12 miles boxes in the Panama Canal entrances.

An Assembly resolution asked friendly nations to support the extension from the previous 3-mile limit. The law passed last month promised free passage to innocent shipping.

During a debate on the U.S. request, former Foreign Minister Acquilino Boyd called for Panama to receive half of the gross revenue from the canal, which is operated by the United States under long-term treaty.

Boyd asserted that the United States makes \$100 million from the canal while paying Panama only \$1,900,000 a year. He said Panama was not seeking a voice in canal administration.

The Panama Canal Company reported that in the year ended last July 1 it collected nearly \$43 million in tolls and made a net profit of \$2,656,000. The United States pays Panama \$1,930,000 a year for use of the 10-mile-wide canal strip, which includes 3 miles of the water off each end.

Other Assemblymen criticized U.S. Representative Daniel Flood, Democrat, of Pennsylvania, who touched off the debate by telling Congress the territorial waters extension created another Berlin.

[From the Panama American, Jan. 15, 1959]

ARMY CONCERNED BY 12-MILE LIMIT—BRUCKER ASSURES FLOOD UNITED STATES DOESN'T RECOGNIZE CHANGE

WASHINGTON, January 15.—Army Secretary Wilber M. Brucker said in a letter today that the United States does not recognize the law imposing a 12-mile sovereignty on Panamanian waters. In any case, he said the law cannot, by treaty, affect approaches to the Panama Canal.

The letter was written to Democratic Representative Daniel J. Flood, and made public by Flood's office.

It was in reply to a letter Flood wrote Brucker, expressing concern over the 12-mile law passed by the Panamanian Legislature.

Brucker said his office had been concerned also.

In addition to the terms of the legislation then under consideration, the published comments of individual members of the National Assembly and others gave rise to concern as to the anticipated application of the legislation with particular reference to the possible impairment of free access to the Panama Canal by vessels of the world arriving at the Isthmus to use the Canal under existing treaty commitments—

He wrote.

He said it appears that under the 1903 treaty the legislation in question "cannot adversely affect the interests of the United States in operation of the canal."

Brucker said article 24—

clearly precludes application of unilateral action by the Republic of Panama extending its coastal waters to derogate in any manner from the rights and privileges of the United States in reference to the Canal.

In any event I have been advised that the State Department has informed the government of Panama that the United States does not recognize the Panamanian law designed to extend the breadth of Panamanian territorial waters to a distance of 12 miles.

I appreciate your interest and am glad to have this opportunity to assure you that I will continue to give the matter the closest scrutiny and to take all available measures to protect the interest of the United States Government in this vital area.

[From the Panama American, Jan. 15, 1959]

REPUBLIC OF PANAMA STUDENTS HURL CHARGES UNITED STATES HURTS PANAMA'S DIGNITY

The Panama Students Federation yesterday resolved to denounce the brazen attempt by the United States against the dignity of Panama.

The resolution issued by the federation's executive council also gave support to a proposal by former Vice Foreign Minister Ernesto Castillero to ratify the conventions approved at the Geneva Conference on Rights of the Sea, and publish the minutes of the Foreign Relations Committee of the Assembly and other pertinent documents in the form of a white paper.

A warning to the United States that its policies only created hate and rancor was also contained in the resolution.

Other points in the resolution said the students would—

Organize brigades to defend our sovereignty.

Request local and foreign student organizations to support the stand of the federation.

Demand a flat and energetic pronouncement from the Government against "Yankee arrogance."

Request that this new aggression by the Yankee colossus against one of the weakest nations be denounced before the proper international organizations.

[From the Panama American, Jan. 16, 1959]

SHIPPERS EYE REPUBLIC OF PANAMA WATERS—SPECULATE ABOUT CONVENIENCE FLAG REPRISALS HERE

NEW YORK, January 16.—Shipping industry sources, eyeing the current flags-of-convenience dispute, today speculated that Panama may try to close its newly extended territorial waters to flags of countries opposing the use of the Panamanian flag in world shipping.

Such a move, they said, would be sure to touch off a serious international dispute. However, Panama has not indicated it plans any such action.

The United States, which operates the Panama Canal under a treaty with Panama, would be put in an embarrassing spot if Panama were to place any restrictions on foreign shipping, maritime lawyers said.

The United States, Japan, and France have already sent protests to Panama about the extension of territorial waters from 3 to 12 miles, thus sealing off the Canal Zone from the open sea.

(The protests are under consideration by a special committee of Panama's Council of Foreign Relations. The Committee is composed of Drs. Harmodio Arias, Ricardo J. Alfaro, Octavio Fábrega and Carlos Sucre.)

It seems that the fight over the use of flags of convenience has opened a Pandora's box.

The fight has turned into a real nightmare for diplomats.

The battle started when traditional maritime nations such as Britain and Norway and labor unions protested against the growing use of Panamanian, Honduran, Liberian, and Costa Rican flags.

The argument put forth was that ship operators were turning to these flags of convenience to avoid paying taxes and meeting other restrictions as to safety and crews' living conditions.

In December, labor unions around the world tried to boycott ships flying these flags, but it was only partially successful.

Ship operators contended they had to turn to these flags of convenience to avoid stringent regulations and general redtape which was forcing them out of business.

The countries involved fought the move to boycott their vessels. Liberia and Panama were the most outspoken, charging the older maritime nations with trying to force shipowners to use only certain flags.

There were some rumblings in the oil industry, a major user of flags of necessity, that oil companies might boycott British and Norwegian ships in their operations.

[From the Star and Herald, Jan. 22, 1959]

REPUBLIC OF PANAMA REJECTS PROTESTS ON 12-MILE SEA

The Panama Government yesterday officially rejected protests by the United States, France, and Japan against this country's extension of its territorial waters to 12 miles. In almost identical notes, Panama reminded all three nations that they had approved a United Nations report setting 12 miles as the limit—under international law—for territorial waters.

In the case of the U.S. protest, Panama said there is no ground for heeding the suggestion that Panama reconsider its action.

The United States and France, which had served notice that they reserved all their rights in the 12-mile zone, also were told that Panama would appeal to international courts in the event its sovereignty or territorial integrity is violated in the extended zone.

The notes were delivered yesterday to Julian F. Harrington and Lionel Vasse, Ambassadors of the United States and France, respectively, and Ken Ninomiya, Minister of Japan. All three notes were signed by Foreign Minister Miguel Moreno, Jr.

The three protesting nations had called to attention that the U.N. General Assembly only recently agreed to call an international conference to discuss the breadth of international waters. Panama replied that this was no ground to maintain that the nations which had agreed to the calling of the conference should abstain from affirming their sovereign rights over territorial waters in keeping with acknowledged principles of international law. The Panamanian note pointed out that it was impossible to foresee how long it would take to attain an international treaty on the question and noted that the U.N. Conference on the Law of the Sea, held in Geneva in 1958 had rejected a motion providing specifically for such abstention.

Panama argued also that the old doctrine of a 3-mile limit never had as foundation any universal international treaty. It emphasized that at present, of 71 countries with seacoasts, only 18 still adhere to the 3-mile limit.

Moreno's note quoted from a U.N. report on the law of the sea by the Commission on International Law which held that international law does not authorize the extension of the territorial sea beyond 12

miles. It was this report, Moreno recalled, that was approved by the United States, France, and Japan, as well as Panama.

The note to the United States added:

With regard to the statement by Your Excellency that your government "reserves all its rights in the area covered by Law 58 of December 18, 1958" (which provides for the 12-mile extension), my government, deeming that the old area of 3 miles is not a matter of divergence between the two governments, must understand that "reservation of rights" as referring solely to the area that has been extended, namely, the additional 9 miles to the old area of 3 miles. And, in that understanding, my government deems that this additional area of 9 miles being not only under Panamanian sovereignty but also under the exclusive jurisdiction of Panama, neither the United States of America nor any other State may reserve any right whatsoever over that area. My government hopes that this unjustified "reservation of rights" shall not manifest itself through facts or situations which Panama would have to deem as violating its sovereignty or its territorial integrity, and therefore, international law and the charter of the United Nations, and which would entitle Panama to utilize the resources authorized by international law, including that of recourse to the proper organs of international justice.

The Foreign Minister's reply to the United States, France, and Japan followed recommendations made by the National Council of Foreign Relations, an advisory body composed of the Nation's top international jurists. The protest notes had been referred to the Council for recommendations on the reply.

The Foreign Ministry's official reply followed the emphatic stand by the National Assembly earlier this month against revising the law providing for the 12-mile seas "for any reason whatsoever." That stand was taken on a unanimous vote after the State Department in Washington disclosed it had protested to Panama and had requested that Panama revise its action.

A National University student group is organizing a public rally Saturday afternoon at Santa Ana Plaza as a reaffirmation of the country's right to extend its territorial seas to 12 miles and of its sovereign rights in the Canal Zone.

[From the Panama American, Jan. 24, 1959]

OPERATION SOVEREIGNTY GROUP TO MARCH DOWN CENTRAL AVENUE

At 5 p.m. today the May 2 university group which was responsible for last year's Operation Sovereignty will gather at Plaza Porras and march down Central Avenue to Plaza Santa Ana.

There a rally will be held to reaffirm Panama's sovereign claims. The demonstration will be specifically in connection with Panama's extension of its territorial waters to 12 miles. Panama has officially rejected protests by the United States, France, and Japan.

Speakers will include former Foreign Minister Aquilino Boyd, representing the National Patriotic Coalition, and Carlos Arellano Lennox, who was president of the university students union at the time of the flag-planting Operation Sovereignty.

Former President Arnulfo Arias, who arrived yesterday from his Boquete coffee plantation, has been invited to speak at the rally, but it is not certain that he will.

[From the Panama Sunday American, Jan. 24, 1959]

STUDENT LEADER BLASTS STATE DEPARTMENT AND U.S. ARMY

The U.S. State Department and the Department of the Army were branded as "racketeers" last night by Student Leader Carlos Arellano Lennox to climax a sovereignty rally which got underway several hours late.

The rally, organized by the Dos de Mayo Movement, a faction of the Panama University Students Union led by Arellano, had been scheduled to get underway at 5 p.m., with a parade from the Legislative Palace along Central Avenue up to Santa Ana Plaza.

The parade was apparently called off owing to the small number of demonstrators who showed up. However, the organizers managed to get a group estimated at about 150 to gather at Santa Ana Plaza more than 2 hours later to hear five of the seven scheduled speakers.

In addition to Arellano, the speakers were Assemblyman Aquilino Boyd, Ramon Pereira, Jose M. Quiros y Quiros and Julio Sosa Lennox. Two others, Dr. Diogenes Arosemena, secretary general of the university, and former Ambassador to London Cesar Guillen, were not present.

The crowd swelled to about 250 to 300 by the time meeting ended at 9:15 p.m.

Arellano also blamed Wall Street for the attitude of the United States toward the recent extension of Panama's territorial water limit to 12 miles, and asked:

"Why didn't the United States protest when strong countries like Peru extended their territorial waters to 200 miles?"

Arellano said it was because the extension did not affect the interests of Wall Street.

The student leader, who is a science professor in a Catholic private school, argued that the United States claims rights in the Gulf of Mexico and now wants to deny Panama's right in Panama Bay.

Referring to U.S. Representative Daniel J. Flood, Democrat, of Pennsylvania, Arellano said, he wished he was here to see if there were any political demagogues among the speakers.

He insisted that Panamanians are a democratic people who are well aware of the dangers of communism, adding:

"Although we are democrats we are not disposed to die of hunger because Wall Street wills it so."

Following this remark, Arellano thanked his listeners and the meeting ended.

[From the Panama American, Jan. 26, 1959]

RICARDO ARIAS TERMS SEA LIMIT "JUST AND LEGAL"

Panama's Ambassador to Washington, ex-President Ricardo Arias who arrived here early today is quoted as saying that Panama is within her sovereign rights on the 12-mile territorial water limit.

"Panama's attitude on this issue is just and legal," he added.

Arias said Panama has accepted the idea of holding a conference next year to discuss this touchy situation.

Arias reported returned to Panama for a series of political conferences.

He was greeted at the airport by a large gathering of influential political and personal friends.

[From the Panama American, Jan. 27, 1959]

PLOTS, GUNS IN ABUNDANCE—REPUBLIC OF PANAMA COPS POUNCE IN RIO ABAJO, CHIRIQUI, TOCUMEN

Three men and a woman are being held today by the Panama secret police following the discovery of a \$20,000 arms cache, including several machineguns and 40,000 rounds of ammunition, in a cottage in Rio Abajo.

One of the arrested men, Armando Aguilar, who lived in the cottage, has reportedly confessed that the weapons were to be used in a plot to overthrow the government of President Ernesto de la Guardia, Jr.

Meanwhile 16 persons were arrested in the Cerro Pando region of Chiriqui, also charged with a subversive plot against the government. The 16 include Jose Gaitan Miranda, who has been nicknamed the "Fidel Castro of Chiriqui" for his association with the arms cache found on the Los Cerritos farm of former Deputy David Anguizola.

At the weekend 101 revolvers were found by customs inspectors at Tocumen Airport.

Under arrest along with Aguilar in the Rio Abajo arms find is Ruben Rosas, manager of the recently reopened El Rancho Garden, Aguilar's wife, Margarita, and a Chinese resident whose name has not been revealed.

Rosas was arrested at Tocumen today when about to board a plane for Costa Rica. He is believed to have been implicated by Aguilar, who is also said to have implicated several others.

The cache found in the attic of the Aguilar cottage at Seventh Street, Rio Abajo, included 4 machine guns, 9 submachineguns, 16 rifles, 31 revolvers, and 40,000 rounds of ammunition.

The 16 persons, including both men and women, picked up in Cerro Pando, have only 1 gun between them, a .22 rifle. Equipped with knapsacks and camping cots, they claimed to have been searching for Indian huacas.

National Guardsmen confiscated their equipment.

Miranda is thought to have fled to the Chiriqui hills at the time of the arms discovery last October on the Anguizola farm. He was arrested later, but freed later under an amnesty declared by De La Guardia.

The .38 caliber revolvers found at Tocumen were hidden in bundles of clothing, shoes, and other merchandise were understood to be in transit from El Salvador to Colombia, addressed to one Antonio Arango. Inspectors opened the packages after they remained unclaimed from December 14. Police have found no trace of Arango.

The shipment originated in Miami.

[From the Panama Star and Herald, Jan. 27, 1959]

LARGE ARMS CACHE FOUND IN PANAMA CITY—MACHINEGUNS INCLUDED IN HAUL BY POLICE—30,000 ROUNDS OF AMMUNITION SEIZED; SPECULATION IS THAT SHIPMENT WAS SMUGGLED VIA COSTA RICA

A large arms cache which included 14 machineguns and about 30,000 rounds of ammunition was discovered by the Panama Secret Police yesterday morning in a house in Rio Abajo. So far, two men have been arrested.

The arms were concealed in burlap bags which had been hidden in the ceiling.

Most of the weapons were loaded, it was reported.

The lot included four .30-caliber tripod machineguns, three M-3 submachineguns of the type used by parachutists in World War II, and seven .45-caliber Thompson submachineguns. In addition, searchers located 13 .45- and .38-caliber pistols and revolvers, 13 Springfield and 3 Winchester .30-caliber rifles.

One of the men under arrest, it was learned, is Armando Aguilar, who lives in House 25-34, Seventh Street, Rio Abajo, where the arms find was made at 10 a.m. Aguilar was identified as a former minor employee of the Immigration Department of the Panama Foreign Office.

Investigators were reported to have found also a letter to Aguilar signed by a Costa Rican border official who is a former resident of Panama. This immediately started speculation that the arms were smuggled into Panama by way of the border with Costa Rica.

The arms were not new. They were wrapped in sheets of the New York Post of November 6, 1958, and other U.S. newspapers.

Investigators declined to reveal the name of the second man under arrest.

Some of the bags in which the weapons were concealed bore the penciled word "Mayo" (May). This was the month in 1958 when bloody clashes occurred on the streets of Panama City between the National Guard and students. The Government said the clashes were inspired by the opposition.

This is the second lot of arms uncovered by Panamanian authorities in less than a week. Over the weekend, officials found that a shipment which had arrived in Tocument Airport marked as wearing apparel, actually contained brandnew revolvers. Investigators confiscated 101 of them.

There were indications that the revolvers, which were shipped out of Miami, were in transit to Colombia, consigned to one Antonio Arango. The shipment arrived at Tocument last December.

[From the Panama Star and Herald, Jan. 27, 1959]

"DICKY" ARIAS SAYS LOGICAL HE SHOULD RUN—THOUSANDS GREET PANAMA'S ENVOY TO UNITED STATES ON HIS ARRIVAL HERE

Panama's Ambassador to the United States, Ricardo Arias, said yesterday "it is only logical" that his name should be mentioned among the 1960 presidential candidates of the National Patriotic Coalition.

Arias returned to Panama City for 2 weeks of consultation with Government officials.

The Coalition is the administration party.

Arias said the party has many members who meet all qualifications of honesty, capability, and service to the people for running for President. When he was asked if he would be a presidential candidate, Arias replied the Coalition is a democratic party and it's only logical that his name should be included among those party members who are qualified to run for the country's highest office.

Arias served as Acting President from 1955 to 1958.

Thousands of friends welcomed him at the airport. The Ambassador returned with his wife, Mrs. Olga Arias.

Arias said there is no problem between the United States and Panama over this country's recent extension of its territorial seas from 3 to 12 miles. The Ambassador said Representative Daniel Flood, whose criticism of Panama's action aroused resentment here, is only 1 among 430 Members of the House of Representatives. One man's opinion, he said, no matter how respected he may be, is not the opinion of the United States. Arias added that Flood was entitled to voice his opinion, just as much as Panamanians have a right to express their opinion.

[From the Houston Chronicle, Feb. 4, 1959]

LATIN AMERICA—CANAL OFFICIALS CONVENE

(By Marshall Bannell)

BALBOA, C.Z.—The Board of Directors of the Panama Company, U.S. Government-owned corporation which operates the Panama Canal, flew from Washington and other points to the Canal Zone this week and is meeting in private sessions.

A major point on the agenda is believed to be the problem posed by Panama's recent extension of the Republic's territorial waters to 12 miles off both the Caribbean and Pacific coast lines. Previously it claimed only to a limit of 3 miles.

The U.S. State Department protested and asked that the matter be reconsidered. Panama rejected the protest.

THEORETICAL RIGHTS

Through its treaty with Panama, which gives, for all practical purposes, the United States title to the 10-mile-wide, 50-mile-long strip of land from ocean to ocean that makes up the Canal Zone, the United States has offshore rights only to the 3-mile limit:

Once a vessel passes this point it will be in Panamanian territory and theoretically Panama has the right to stop any vessel in its waters. In fact, in speeches in the Panamanian National Assembly last week, this was proposed "to make sure all ships passing through our waters are observing our laws."

To back up the new territorial claims, a mass demonstration was held in downtown Panama City and speakers endorsing the program were wildly cheered.

Aquilino Boyd, a member of the National Assembly, stressed in his speech that Panama still holds sovereign rights to the Canal Zone and said Panama is entitled to half of its annual gross income. He estimated this would amount to about \$50 million a year for Panama. At present Panama receives slightly under \$2 million a year from the United States, plus many indirect benefits.

SCOFF AT PROPOSAL

Privately U.S. officials term the proposal as "ridiculous" and point out that last year the canal's net profit was under \$4 million.

Unquestionably, observers here agree, the 12-mile offshore territorial claims by the Government have full public support in Panama. The proposal has been passed by the national assembly and signed by President Ernesto de la Guardia.

The flaw in the claims, observers point out, is that Panama has no coast guard, navy, or patrol boats and is hardly in a position to detain any vessel. However, it is reported that Panama is negotiating with Norway for the purchase of several patrol boats.

[From the Panama American, Feb. 17, 1959]

BEARDS' VISIT SHAVED?—REPUBLIC OF PANAMA GROUPS ALLEGE FIDELISTAS UNDER GOVERNMENT WRAPS HERE

Student and labor groups complained today that the Panama Foreign Office has arranged the program for delegation of Cuban revolutionary soldiers to keep them from mixing too freely with non-Government groups.

The delegation of eight men and two women soldiers who participated in Fidel Castro's successful revolt to overthrow Dictator Fulgencio Batista arrived here this afternoon as official guests of the Panama Government.

The groups complained that the official program mapped out by the Foreign Office took no cognizance of the activities planned beforehand by a number of private organizations and civic groups.

The official program includes a press conference tonight at the Cuban Embassy here, and Thursday a meeting with labor leaders, followed by a mass meeting in the Olympic Stadium.

One student leader argued that there is a widespread desire to have the "barbudos" (bearded ones) address the people of Panama from Santa Ana Plaza today.

Today's program also included a tour through Panama City about 4:30 p.m., starting at Via España, up along Central Avenue, and returning via Avenue B and Justo Arosemena Avenue to Hotel El Panama.

Meanwhile, in Havana the Cuban Cabinet, with new Premier Castro presiding, voted early today to slash its salaries 50 percent.

The decree reducing Cabinet pay, one of nine approved at an all night Cabinet session, also ordered the suspension of all Government secret funds.

Other decrees approved at the meeting provided for:

Establishment of a national institute for saving and housing, replacing the traditional lottery, which will regulate gambling in Havana's multimillion-dollar casinos.

A maritime promotion office to seek to build up the tourist trade.

Civil service security for Government workers, who in future may be dismissed only for "high convenience of the Government," with 3 months' severance pay. Top officials appointed by ousted ex-President Fulgencio Batista were exempted from the provisions of this decree.

Ratification of all acts committed by the rebels during their 2 years in the Sierra Maestra and cancellation of all prison sentences resulting from their acts.

Castro, who at 32 is the youngest man ever to hold the post of Premier, had said earlier that he expects his new job to be "the toughest test of my life."

[From the Panama American, Feb. 18, 1959]

FIDELISTA BRANDS UNIFRUCO AS HUGE FOREIGN MONOPOLY

The spokesman of the Cuban rebel delegation which arrived in Panama yesterday singled out the United Fruit Co. as one of the huge foreign monopolies which naturally feel hurt over the fall of Dictator Fulgencio Batista.

Slickly fielding questions at a press conference at the Cuban Embassy here last night, Cuban rebel Capt. Jorge E. Mendoza rejected the idea that there was a widespread plot to discredit the revolutionary Government of Fidel Castro in Cuba.

Mendoza emphasized that the rebel movement is not anti-Yankee, but he blamed a press campaign against the rebels on those large foreign concerns which he said used to dispossess farmers from their lands at will with the aid of Batista officials.

This morning, Mendoza and the rest of the delegation attended a wreath-laying ceremony at the bust of the late President Manuel Amador in Cathedral Plaza.

They are scheduled to meet with student groups this afternoon at 5 p.m. and attend a dinner tonight as guests of the Panama Lions Club.

Questioned about granting permission to the Cuban Communists to organize politically, the bearded, long-haired Mendoza said last night:

We decided it was better to know who they are than to have them operating underground.

The delegation of one woman and eight men, including Catholic Chaplain Guillermo Sardifias, arrived at Tocumen Airport about 2:30 yesterday afternoon.

They were met by an official Government reception committee and a crowd of about 2,000 persons who insisted that the rebel delegation turn its back on the official welcome.

The Fidelistas solved the problem by dividing themselves in two groups: Mendoza, Lt. Rafael San Martin, and Pvt. Francisco L. Viera staying with the reception committee and visiting President Ernesto de la Guardia, Jr., at the Presidencia, while the remainder went with the crowd and drove through Panama City in a 250-car motorcade.

The rest of the delegation includes Capt. Mario Hidalgo, Lt. Orlando Benitez, Lt. Violeta Casals (a TV star who joined the rebels), and Pvts. Ricardo Valladares and Cesar Fonseca.

At the end of the motorcade, the group were guests over a local radio station.

In answer to another question, Mendoza said the new Cuban Government hoped to solve the problem of the millions of dollars stolen from the Cuban treasury by those who fled the country with the fall of Batista by devaluating all Cuban pesos now stashed away in foreign banks.

A possible disturbance was averted by Mendoza's companions during the press conference when a crowd of about 500 persons who had gathered outside the Embassy started clamoring for them to come out.

The press conference was interrupted briefly when two of the rebels intervened in a brief clash between the National Guardsmen who were guarding the half closed door to the Embassy and two student leaders.

One of the bearded rebels and Miss Casals mounted at the base of a pillar and asked the crowd to emulate the discipline which had resulted in the victory of their cause by dispersing and going to their homes.

The crowd paid some heed and by the time the press conference was over late last night only a handful remained outside to cheer the group as they went back to Hotel El Panama where they are staying as guests of the Panama Government.

Meanwhile, UPI reports from Havana said Maj. Jesus Sosa Blanco, Cuba's twice-convicted war criminal No. 1 was executed early today by a firing squad to which he gave the order for his own death.

Sosa was shot at 2:16 a.m. in the dry moat surrounding Havana's Cabaña fortress prison.

Reports from the scene said he faced the firing squad bravely.

"I forgive you, and I hope you forgive me," he said in a clear, steady voice, and a moment later spoke his last word:

"Fire."

The regular commander of the firing squad administred the coup de grace, firing a .45 caliber bullet into Sosa's head to make certain he was dead.

FIVE THOUSAND SEIZE PANAMA'S CITY HALL—JUNTA SET UP IN ROW OVER USE OF FUNDS—MEMBER OF COUNCIL ACCUSED OF ATTACK IN RADIO STATION

PANAMA, February 19.—Several thousand demonstrators seized city hall in the Panamanian capital last night after the beating of a radio commentator who had charged municipal funds were being mishandled.

The crowd—which swelled to 5,000—demanded the ouster of the 15 city councilors and set up a rump council to run municipal affairs.

They kept control of the building until President Ernesto de La Guardia, Jr., pledged that the regular councilors would be barred from their offices pending an investigation.

The President ordered the national guard to leave the demonstrators alone.

JUNTA TAKES CHARGE

The self-described "Revolutionary Municipal Junta" announced it was taking over administration of municipal affairs until the present council was replaced. The group is headed by Guillermo Marquez Briceno, a lawyer who gained national prominence in 1957 for successfully defending seven persons charged with the assassination of President Jose Antonio Remon.

The municipal junta began issuing sweeping ordinances, but there was no indication how they would carry them out.

The march on city hall was led by Ramon Pereira, a young radio commentator who had denounced the councilors at a rally Tuesday night. Bleeding from a head wound, he charged that Councilman Mario Velasquez and five men invaded his radio station yesterday afternoon, fired revolvers, blackjacked him, and attacked his wife and daughters. Radio listeners heard the sounds of the fight and gunfire.

BROTHER ARRESTED

A brother of Mr. Velasquez has been arrested on a charge of assaulting Mr. Pereira, but the councilman is immune from arrest while holding office. Marion Velasquez and 11 other councilmen issued a statement that they were not resigning. They were elected in 1956 for 4-year terms.

The municipal building was deserted when the crowd reached it, the working day having ended. The demonstration was orderly, but many store owners, fearing violence, shuttered their windows as the excitement built up.

Most of the crowd went home before midnight, but the leaders said they would carry on their campaign until their demands are met.

[From the Panama Star and Herald, Feb. 19, 1959]

**DEMONSTRATORS TAKE OVER CITY HALL HERE—MOVE FOLLOWS ARMED
ATTACK ON RADIO MAN—COUNCILMAN BEATS UP COMMENTATOR
OVER CHARGES ON HANDLING OF CITY FUNDS; JUNTA SET UP**

Thousands of demonstrators took over the city hall building in Panama City yesterday in the aftermath to an armed attack upon a popular radio commentator who denounced mishandling of city funds.

The crowd, which at its peak numbered about 4,000 men and women, started a vigil in Cathedral Plaza, opposite city hall, at 2 p.m. It was still on watch at midnight and leaders said the vigil would be kept indefinitely.

The en masse removal of the 15 incumbent members of the municipal council was the avowed purpose of the demonstrators.

A revolutionary municipal junta announced it was taking over municipal affairs, pending the replacement of the present council membership. The junta is headed by Guillermo Marquez Briceno, a local attorney. Briceno gained national prominence as defense coun-

sel in the trial of the defendants who were charged with the assassination of President Jose A. Remon. The defendants were acquitted.

The junta issued a series of sweeping ordinances, among them one suspending all unfinished municipal contracts and another ordering the closing today of municipal offices.

The only concrete result of the demonstration was an official pledge that, pending a decision on the ouster, none of the incumbent councilmen will be allowed to enter the municipal headquarters. The pledge was first made by Attorney General Hermogenes de la Rosa and was confirmed later by President Ernesto de la Guardia, Jr.

The President also sent word that the national guard would not be ordered out to interfere with the demonstration. He was visited by a committee from the "Revolutionary Municipal Junta." The Presidential Palace is 2 blocks from the city hall.

The demonstrators rallied to the support of Ramon Pereira, a young radio station proprietor, who was attacked in his office in Radio Mia shortly after 1 p.m. Pereira named among his attackers Councilman Mario Velasquez, and the latter's brother, Homero.

Pereira, his face smeared with blood from a head injury, stood on the city hall balcony and told the crowd he was threatened at gunpoint and beaten with a blackjack. He punctuated his remarks with a blackjack he said he wrested from one of the Velasquez brothers.

Pereira's wife, who tried to defend her husband, also was dealt some blackjacks blows. Their daughter was threatened at gunpoint, Pereira reported.

The attack appeared to have been motivated by Pereira's scathing denunciation of Velasquez, among other councilmen, at a public meeting Tuesday night at Santa Ana Plaza protesting alleged mishandling of municipal funds.

Pereira said the assailants stormed into his office and fired shots. As the men fled after beating him up, Pereira said he pulled out his own gun and fired at the assailants' car.

Some of the scuffle in Radio Mia's office was heard over the station's microphones.

Immediately after the attack, Pereira went on the air to call his supporters to a march on the city hall. Pereira's station operates a listeners' club, with about 1,000 dues-paying members. The dues—50 cents a month—entitle members to certain services.

The demonstration, initially small in numbers, reached the city hall at 2 p.m. By that time municipal employees had quit work and the building was empty. The crowd grew rapidly in numbers.

The demonstrators' mood was one of violence at the start. But Pereira's repeated urging and pleading for order were heeded and sticks which had been freely brandished, quickly disappeared from view. The only poster visible among the crowd was a large piece of cardboard inscribed: "For the rats of the municipal council—the noose." A hangman's noose hung from the poster. By Pereira's order, the crowd was kept from storming the city hall. He and other leaders, however, took over the council offices.

As the demonstration built up, steel shutters and heavy wire screens went over the glass windows and entrances of stores along Central Avenue.

The National Guard, which performs police duties, quickly withdrew its personnel from the streets, apparently to eliminate any possibility of incidents with the demonstrators.

During the time that the crowd was gathered in front of the city hall, it was harangued by many speakers, including leaders of the student federation which fought a bloody action on the streets with the National Guard in May 1958.

Apparently in an effort to satisfy the crowd's clamor for sweeping away the council's present membership, leaders of the movement—which was termed an open town meeting—formed a citizens committee and named a new slate of councilmen. The appointed councilmen were for the most part the leaders of yesterday's movement.

But nothing was said on how or when or by what authority the newly named council members would take office.

The main legal obstacle to the immediate removal of the councilmen seemed to be that, having been elected to office by popular vote, there is no legal authority to oust them by executive action, as was demanded last night. Most observers agreed that a judicial indictment on specific charges would be needed before any action could be taken against one or more councilmen.

Meanwhile, 12 of the incumbent councilmen, meeting at a private residence, issued a statement last night saying they were determined to retain their posts. They called the demonstration yesterday a grotesque comedy. They said there was no justification for arousing public passions over a personal incident. They declared they had never opposed the current investigation into the handling of city funds.

The councilmen also scored the attorney general for his announcement that, pending the solution of the issue of the removal of the city fathers, none of them will be allowed access to the city hall. They called the order arbitrary.

The councilmen's statement was signed by Jose Rogelio Arias, Jr., Carmen Arosemena, Luis Branca, Luis Del Rio, Ricardo Gaitán, Samuel Lewis Galindo, Rene Luciani, Juan M. Martinez, Hernando Martiz, Germinal Sarasqueta, Eduardo Stagg, Jr., and Mario Velasquez.

The last named councilman was the one whom Pereira identified as one of his assailants. Earlier Attorney General de la Rosa had announced arrest orders were issued against the assailants. Only Velasquez's brother, Mario, was under arrest last night, however. It was pointed out that councilmen are immune from arrest while holding office.

Three councilmen did not sign the statement. They are Manuel de J. Espinosa, Carlos Pretelt, and Mario de la Guardia.

[From the Washington Evening Star, Feb. 20, 1959]

CROWD INSTALLS OWN PANAMA CITY COUNCIL—OLD COUNCILMEN, BARRED FROM HALL, REFUSE TO RESIGN

PANAMA, February 20.—An orderly crowd of thousands early today defied President Ernesto de la Guardia, Jr., and installed 11 new city councilmen for the Panamanian capital.

The crowd had seized control of city hall Wednesday after the black-jacking of a radio commentator who accused the council of mishandling city funds. The council refused to resign and the President said he had no legal power to remove it since the councilmen's elected 4-year terms do not end until next year.

The President had appealed for the people to wait until an investigation could be made of the financial charges. It was not known what he would do about the worsening situation, but early today he had not ordered troops into action.

STRIKE THREATENED

Leaders of the popular movement announced a general strike would be called in Panama City today if necessary to put the new council in full control.

The march on the municipal building Wednesday came after office hours. All offices were deserted, and there was no violence. Leaders of the demonstration constituted themselves as a revolutionary municipal junta and said they would run the city until the council was replaced.

Throughout yesterday the crowd around city hall alternately diminished and grew, but remained orderly. All municipal offices except the courts stayed shut. A special detail of demonstrators prevented access to the building.

PRESIDENT CITES LAW

Mr. de la Guardia, meanwhile, told the junta he had been unable to obtain the resignations of the 12 council members from his own government party. Nor was there any capitulation by the other three council members—two from opposition parties and an independent.

The President said his legal staff unanimously had advised him he could not remove the council legally by decree. Mr. de la Guardia insisted he would not go against the law.

The crowd around city hall numbered about 5,000 at midnight, when the junta announced it had selected a panel of 25 citizens from which it would choose a new council. Amid loud cheers, the list was read over the radio, and loudspeaker cars helped to spread the word.

CHAIRMAN ELECTED

By 1 a.m., 11 men from the list had answered the call. A municipal judge swore them into office and they went into session in city hall, electing Carlos Enrique Adames, a lawyer, their chairman.

The next move apparently was up to the President.

Mr. de la Guardia had trouble on another front, too. The University of Panama canceled its annual commencement—scheduled for tonight—after student leaders warned they would not be responsible if the President showed up to make the traditional presentation of diplomas. The university authorities replied that they could not accept impositions from within or without and called off the ceremony.

[From the New York Times, Feb. 21, 1959]

STRIKE IN PANAMA CONDEMNS GRAFT—BUSINESS HALTED BY PROTEST ON CORRUPTION—PRESIDENT INSISTS COUNCIL QUIT

(By Paul P. Kennedy)

PANAMA, February 20.—Retail and wholesale business came to a standstill here this morning in a near-general strike in protest against the alleged corruption of the city council.

President Ernesto de la Guardia made a nationwide emergency broadcast in the midst of the shutdown of business, appealing for calm and demanding that the city council resign.

While the President was speaking, his mother, Isabel Navarro de la Guardia, died of a heart attack in the Panama Hospital. She was visiting the President's father, who has been ill in the hospital for some time.

COUNCIL REFUSES TO QUIT

President de la Guardia acknowledged that he did not have the power to make the council resign. He asked privately last night for the resignation of all council members, but they refused. The President said today that he would be "attacking the very foundation of the Republic" if he forced their resignation.

The difficulty began Wednesday when a councilman attacked Ramon Pereira, owner of a radio station, with a blackjack, while the councilman's brother held a pistol on him. Senor Pereira's station had been attacking the city council for alleged corruption in construction contracts and payroll padding.

Following the attack, Senor Pereira appealed on the radio for a mass meeting and several thousand citizens responded. The city hall was taken over by the citizens emergency committee, which has held it since.

RIVAL COUNCIL FORMED

A new council was to be sworn in soon, headed by Carlos Enrique Adames, president of the National Bar Association. But a spokesman for President de la Guardia said he could not recognize it as constitutional.

The old council, after an all-afternoon meeting, agreed to ask a 90-day leave of absence pending an investigation of the charges against it. Luis A. Branca, one of the councilmen, said the action was not a renunciation of legal rights and that the new council could not be considered legal.

The discontent is directed as much against the national administration as against the city council. The virtual certainty that Ricardo M. Arias Espinosa will succeed Senor de la Guardia in the Presidency has set off a wave of resentment. Senor Arias, who was President before Senor de la Guardia, is a member of the set that has ruled Panama since she won her independence from Columbia.

The strike was particularly harmful to business because Panama depends largely on tourist trade.

[From the Washington Evening Star, Feb. 21, 1959]

PANAMA EASES AFTER CHANGE IN CITY COUNCIL

PANAMA, February 21.—The national government ordered out armed troops today to enforce its appointment of a new council for this capital city, and appeared to have the upper hand in a 4-day municipal revolt.

Troops in battle array surrounded the Cathedral Plaza opposite city hall and closed a radio station the revolutionary municipal junta had been using to rally the populace.

There was no violence and crowds, which had numbered several thousand, dwindled to about 100 persons.

Leaders of the movement, who indicated last night they would defy the Government, decided to move out of the city hall. They had occupied it since Wednesday.

The Government stepped into the crisis early today by naming a new city council after the old councilmen, whose removal was demanded by the junta, agreed to step aside. The old council was accused by the junta and its supporters of mishandling municipal funds.

The Government announced that a new mayor and a new municipal treasurer also will be appointed.

The announcement was made by Government Minister Max Heurtematte, who said the former councilmen were "separated" from their posts. There was no immediate explanation of that term, but earlier an official source said the councilmen requested a leave of absence.

Six members of the new city council were among a panel which was chosen yesterday by the junta to install its own council.

The Government acted after a popular demonstration against municipal maladministration had paralyzed the capital with a general strike. Businesses and public transport shut down tight yesterday afternoon.

[From the New York Times, Feb. 22, 1959]

TROOPS IN PANAMA BAR ANGRY CROWD—ACT IN RIOT THREAT NEAR CITY HALL—STRIKE CONTINUES

(By Paul P. Kennedy)

PANAMA, February 21.—The Panamanian National Guard was brought out in force today to prevent threatened rioting near city hall.

Several truckloads of armed troops sealed off city hall plaza, where a new city council had been sworn in last night by a citizens emergency committee. It attempted to meet today.

The committee, which had held city hall since Thursday, was evicted by the National Guard.

Still another city council was sworn in today. This one was selected hurriedly by Provincial Governor José Cajar Escala. It became the third body to contend that it was the legal council.

Charges of corruption against the original council were the cause of unrest since Thursday, and a near-general strike yesterday. Last

night this council told the Governor that it would take a 90-day leave of absence while the charges against it were investigated.

Several thousand persons gathered at two points downtown this morning. At times it appeared that the crowd would attempt to rush the troops. At one point, officers pointed their pistols at the crowd.

The site of most tension was a block from city hall plaza. Soldiers on foot, backed up by mounted troops, held back about 1,500 persons there.

The crowd would surge to within a few feet of the troops, then fall back. After considerable haranguing by speakers, the crowd would move forward again.

The tension eased when the citizens committee left city hall. Led by Guillermo Marquez Briceno, the crowd marched uptown to Santana Plaza, where loudspeakers were set up and a meeting took place.

THREE BANKERS ON COUNCIL

The new council includes three bankers, a physician, the head of the National Nursing Association, two college professors, and several merchants.

One of the bankers is Ruben Dario Carles, Jr., general manager of the Chase Manhattan Bank here and former minister of finance.

He said the first he knew of being on the council was when he read about it in the morning newspapers. He characterized the new group as "caretaker council" to run the city until a permanent council is installed.

Meanwhile, a citywide strike continued. All retail stores except grocery were closed yesterday and remained so today. Banks were closed yesterday because of the strike, but remained closed today because of national mourning for the mother of President Ernesto de la Guardia, Jr. She died yesterday.

[Translation]

EX-PRESIDENT OF PANAMA'S SOBER COMMENTS ON OPINION OF U.S. CONGRESSMAN—DR. HARMODIO ARIAS DEFENDS THE NEW LAW ON TERRITORIAL WATERS

PANAMA.—Harmodia Arias, ex-President of the Republic, director of Panama-América, and one of the most prominent jurists of the continent, commented in an editorial of his newspaper on the views advanced by Representative Flood in the following terms:

Once again, Mr. Flood is firing his charges against the Republic of Panama. This time his pretext is the measure by which the National Assembly has, as a just affirmation of sovereignty, extended the mileage of the territorial waters to 12 miles. Mr. Flood denounced this measure as part of a Communist plot designed to isolate or lock off the Canal Zone, and the canal itself, and to convert it, he said, into another Berlin. And he adds, among [other] threats, that the President of the Republic would have vetoed the measure if he had not been prevented from doing so by insuperable pressure from the radical groups dominant in Panama.

We do not deny the right of Mr. Flood, as Representative of the people, to freely express in the Congress of his country whatever views he may have. As

we do not deny the right of our Assembly to burst out, when feeling justly hurt by Mr. Flood's constant attacks against Panama, in strong criticism against him, even going so far as to call him Public Enemy No. 1 of our country. All these are natural phenomena in democracies where there is freedom of speech and where it happens that, in the heat of passion, reason, logic, and serenity do not always exercise the moderating force which they should.

But this is not, so far as we are concerned, the most important aspect of this new incident created by Mr. Flood. We deem it of greater importance to analyze very thoroughly the stubborn attitude of the North American Congressman, with a view to deriving conclusions, from such analysis, which will prove constructive for the good relations between the two countries.

And if Mr. Flood would care to change his course of action and address his impetuosity to constructive action, I wish he would, first of all, think over the unfair lack of equilibrium existing between Panama and the United States of America in the distribution of profits resulting from the operation of the canal; I wish he would ponder, for example, over the pitifully small annual allowance which Panama receives, which is less than half of what a private banana company pays whose concession seems modest, almost insignificant, as compared with the enormously large canal concession. And, following this course, he might stop to look with amazement at the series of injustices perpetrated by the United States against Panama.

We should presume that Mr. Flood, as a citizen and representative of the people, would want his country to have the highest possible advantages; and that, in the matter of foreign relations, he would want to see those advantages crystallized in the existence of firm and cordial relations with the nations of this continent, especially with the Republic of Panama. And if that is so, the gentleman would then have to be told what history repeats with constant illustrations: that a befuddled, impassioned, blind, extremist, unrelenting patriot may—even if his intentions are the best—do as much damage to his country as the cynical or unworthy citizen who betrays it deliberately. Still recent (fresh in our memories) is the case of Senator McCarthy who, for many thinking North Americans, was one of the reasons why the United States could not be prepared in the field of science at the proper time in order to meet the terrifying Soviet progress in the conquest of outer space.

If Representative Flood really wanted better and more cordial relations between Panama and the United States he would take a closer look at the causes for the deterioration of those relations; he would scrutinize the facts which speak for themselves and point to where the sources of trouble, resentment, and protests of the Panamanians are lodged, and would try to do something about eliminating them.

I wish he would see how, while a treaty clearly gives Panama commercial benefits (privileges) in the market of the zone, that same zone imports meat from Australia and engages in all sorts of legerdemain in violation of the letter and the spirit of the treaty.

I wish he would see how the equality of wages and job opportunities, agreed upon by treaty over 20 years ago, suffers setbacks, procrastinations, and infringements to a point where, irrespective of what had been agreed upon, this equality is operated, in essence, on the basis of local wages for Panamanians and U.S. wages for North Americans, despite the diffuse language of the rules and regulations which have been issued. And inequality of wages is translated, of course, into inequality of retirement or pension payments, which depend on those wages.

I wish he would see how the [equality of] job opportunities [is] are being ridiculed by way of rules and regulations which pad and extend in a terrifying manner, far beyond the agreements, the concept of security jobs, so as to reserve these exclusively for the North Americans.

I wish he would see how in the Canal Zone the duty-free import of diamonds and jewelry is continuing; and how, upon our protests, a U.S. diplomatic officer has gone so far as to say—no doubt with inaudible sarcasm, under his breath—that diamonds contribute to maintaining soldier morale.

I wish he would see how the moving of the railroad station, the deadline for which has long since passed, continues to be stymied by artificial procrastinations and controversies.

I wish he would see how, notwithstanding that the treaties state that both countries have "a joint and vital interest" in the canal, Panama is denied flying

its flag, together with the U.S. flag, in the zone, despite the reservation of Panama's sovereignty over the Canal Zone.

So as not to overdo it: I wish Mr. Flood would consider and act on these and other important questions which have a fundamental effect on the now openly deteriorating relations between the two countries. He would thus do a constructive and positive piece of work—instead of wasting time by hurling abuses against our country; instead of continuing to use the boastful, ridiculous and absurd McCarthyist chant that there is a Communist plot here [in Panama] dominating everything; instead of offending the President of the Republic by stating that deep in his heart he was harboring the unpatriotic desire to veto the 12-mile bill, but that he would not dare to do so because he was afraid of radical and pro-Communist elements; and—which is even worse—instead of devoting himself to hurling open or veiled threats against our Republic, which, in our world of today, don't scare anybody any more.—(Source: *Diario de las Américas*, Jan. 22, 1959.)

Mr. Bow. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. To my colleague upon the Subcommittee on Appropriations having jurisdiction over the Panama Canal and the Panama Canal Government, the gentleman from Ohio [Mr. Bow], I am happy to yield.

Mr. Bow. Mr. Speaker, I am delighted that the gentleman has seen fit to yield at this time, for I must leave the floor in a minute to attend a meeting of the Committee on Appropriations. But I wanted to commend the gentleman for bringing this important matter to the attention of the House and of the country. As to the statements that he has been declared public enemy No. 1 in Panama, I think the people in Panama some day will find out that the action which he has taken and the position which he takes will prove that he is the best friend that Panama ever had in this Congress.

If these things to which the gentleman is referring should develop, then Panama would suffer irreparable damage. I support the gentleman in his position on this matter, to keep the Panama Canal free, and under the treaty rights this country has entered into, we would keep the way clear to the canal at all times. The extension of the limits would create a real hazard.

If the gentleman from Pennsylvania will permit, may I at this time pay a tribute to a very fine Governor of the Panama Canal, Mr. Potter, who I believe has been doing an excellent job not only in the maintenance of the canal but in the work with the people around the canal and in connection with the projects for the future.

Mr. FLOOD. I am very grateful to my distinguished colleague from Ohio, because no one is better versed on this problem and the potential hazards than the gentleman from Ohio. I appreciate his very kind remarks with reference to my position on this subject. Certainly I concur in his tribute to the distinguished Governor, representing the United States in the Canal Zone.

Mr. MUMMA. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to my neighbor and colleague from the great State of Pennsylvania.

Mr. MUMMA. I want a little information. Where does this 3 miles start now? As I remember, on the Pacific side there are a lot of islands off the mainland. Some of them may be over 3 or 5 miles away. Was that the reason they may have taken this action? I am looking for a reason why they may have taken this action.

Mr. FLOOD. The reason they did this, in my opinion, is that there is no question of a pronounced infiltration of the Red Communist cause all through the Caribbean and Central and South America, and it is becoming progressively worse. The pattern for this was raised by Soviet Russia in unilaterally declaring, in violation of all international principles, a 12-mile zone in the Baltic Sea, regardless of the shore rights or the island rights at the point of extension. This is an example, and they are using that as exhibit A. There is no question of where it begins. There is no rhyme or justification for this. It is a clear pattern of aggrandizement, and nothing else.

Mr. MUMMA. I thank the gentleman.

[From the Congressional Record, 86th Cong., 1st Sess., June 23, 1959]

PANAMA CANAL ZONE SOVEREIGNTY

Mr. FLOOD. Mr. Speaker, starting on March 26, 1958, I have delivered to the House a series of addresses dealing comprehensively with the question of sovereignty over the Panama Canal enterprise. Aimed at clarifying the issues of this vital question, these addresses summarize its diplomatic and legislative history. They establish that the Canal Zone is constitutionally acquired territory of the United States and urge passage by the Congress of House Concurrent Resolution 33, 86th Congress, reaffirming U.S. policy.

Notwithstanding these efforts, world-wide agitations for wresting control of the Panama Canal from the United States have continued and made that waterway a focus of conflict, including an actual invasion of the Republic of Panama by mercenaries from Cuba.

Commenting on this invasion, President Ernesto de la Guardia, Jr., of Panama, has stated:

This was not just a group of adventurers from our own country or even from Cuba. These people were mostly Cubans, but directed by and led by militant Communists. Their ambition is the long stated one of taking over the Panama Canal.

These, Mr. Speaker, are the very points that I have repeatedly presented to the Congress. They could not be more clearly or authoritatively stated, for President de la Guardia has observed the situation on the isthmus at first hand during a series of crucial situations.

The reactions to my addresses on Panama Canal sovereignty have been indeed gratifying so far as popular response is concerned. They have aroused extensive favorable comments from the isthmus and the United States. Many of our leading magazines and newspapers, in articles and editorials, have supported the stand taken by me. But not all.

A notable exception is an article in the April 1959 issue of *Foreign Affairs*, the quarterly of the Council on Foreign Relations, in which the cause of internationalization under the Organization of American States or the United Nations was strongly advocated. Studied in the chancelleries of the world, this and like statements will stand as permanent sources of political infection until adequately met by authoritative declaration.

The most significant consequence of the Panama Canal sovereignty debate was a May 12, 1959, legal memorandum prepared in the Canal Zone Government and supplied me by the chairman of the Committee on Merchant Marine and Fisheries (Mr. Bonner), to whose committee House Concurrent Resolution 33 was referred.

This memorandum records the long-established official position of the United States that the exclusive sovereign rights, power, and authority of the United States in the Canal Zone do not present an open

or doubtful question, and that the United States is not disposed to alter these basic rights in the Canal Zone. In this light, this memorandum is a State paper of high importance that merits a permanent place in the annals of the Congress.

Mr. Speaker, I am, of course, grateful that the views set forth in the excellent Canal Zone Government memorandum are similar to those which I have long and consistently expressed in this Chamber. Indeed, it is quite inevitable that any rational study of the subject must lead to a like conclusion.

In order that it may be easily accessible to all students of the canal question as well as official bodies of the legislative and executive branches of the Federal Government and the public press, under leave granted, I quote the indicated memorandum:

CANAL ZONE GOVERNMENT,
OFFICE OF THE GOVERNOR,
Balboa Heights, C.Z., May 12, 1959.

MEMORANDUM

Subject: Sovereignty Over the Canal Zone.

The treaty provisions

1. The treaty provisions bearing on the question of sovereignty over the Canal Zone are few and brief:

(a) By Article II of the Convention of November 18, 1903, the Republic of Panama granted to the United States in perpetuity the use, occupation and control of the zone of land and water now known as the Canal Zone, for the construction, maintenance, operation, sanitation and protection of the Canal to be constructed.

(b) Article III of the aforesaid treaty, which is the sole existing provision dealing comprehensively with the matter of sovereignty, reads as follows:

"Article III

"The Republic of Panama grants to the United States all the rights, power and authority within the zone mentioned and described in Article II of this agreement and within the limits of all auxiliary lands and waters mentioned and described in said Article II which the United States would possess and exercise if it were the sovereign of the territory within which said lands and water are located to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority."

(c) The 1936 and 1955 treaties do not even cite article III of the 1903 convention and contain no provision affecting sovereignty, other than paragraph 4 of article V of the 1936 treaty granting Panama limited rights to maintain two customhouses in the Canal Zone for specific, restricted purposes involving persons, merchandise and baggage arriving at Canal Zone ports destined to Panama. This and other concessions in effect emphasize U.S. sovereignty, being actions that necessary and inherently depend upon a legal and factual status of the United States as the party having the right to exercise sovereign jurisdiction. Article XI of the 1936 treaty confirmed that, without prejudice the full force and effect of that treaty's provisions, they should not affect, nor be considered a limitation, definition, restriction or restrictive interpretation of, the rights and obligations of either party under the treaties then in force between them.

U.S. construction of the treaty provisions

2. There have been numerous constructions and applications of article III of the 1903 convention by the courts, the Attorney General, the Department of State, and the Comptroller General. Certain of the principal and representative constructions are briefed below. It is not practicable to attempt to collect all such

constructions, and it is likewise not necessary, because (a) the constructions all reach the same basic conclusion, and (b) "the sovereignty over the Canal Zone is not an open or doubtful question" (26 Att'y Gen. 376, hereinafter briefed).

3. In a decision dated July 26, 1904 (11 C.D. 36), the then Comptroller of the Treasury, after quoting articles II and III of the 1903 convention, said:

"The United States has thus become vested in perpetuity with the use, occupation, and control of the Canal Zone, and is now authorized to exercise all the sovereign powers in and over said zone which were inherent in the Republic of Panama prior to the release, waiver, and transfer thereof to the United States by the terms of the treaty."

4. In the early construction of the 1903 convention a very important role was played by John Hay, Secretary of State, who as U.S. plenipotentiary had represented the United States in the negotiation and conclusion of that convention. Mr. Hay's views respecting the nature of the grants to the United States in that convention, and with reference to sovereignty in the Canal Zone, are represented in his well-known letter of October 24, 1904, to José Domingo de Obaldia, then Panamanian Minister to the United States, which was in reply to a communication from the latter dated August 11, 1904. The entire letter appears in Senate Document No. 401, 59th Congress, 2d session (vol. III, beginning at p. 2378). The following extracts from that letter are sufficient to disclose Mr. Obaldia's contentions and Mr. Hay's principal views thereon:

"I have read with the care and consideration its importance required the argument set forth in your communication in support of the contention that the United States is acting in excess of its authority (1) in opening the territory of the Canal Zone to the commerce of friendly nations; (2) in establishing rates of customs duties for importations of merchandise into the zone; (3) in establishing post offices and a postal service in said zone for the handling of foreign and domestic mailable matter.

"The right of the United States to adopt and enforce the provisions of said orders is dependent upon its rights to exercise the powers of sovereignty as to the territory and waters of the Canal Zone, and whether or not the United States is authorized to exercise sovereign powers in that territory is to be determined by the terms of the convention of November 18, 1903, between the Republic of Panama and the United States, referred to in your communication as the Hay-Varilla convention.

"The Government of the Republic of Panama having seen fit to object to the exercise by the United States within and over the Canal Zone of the ordinary powers of sovereignty, this Government, while it cannot concede the question to be open for discussion or the Republic of Panama to possess the right to challenge such exercise of authority, considers it fitting that the Republic of Panama should be advised as to the views on the subject entertained by the United States and the reasons therefor.

"The United States acquired the right to exercise sovereign powers and jurisdiction over the Canal Zone by the convention of November 18, 1903, between the Republic of Panama and the United States.

"The character and extent of the grant of governmental powers to the United States and the resulting right and authority in the territory of the zone are set forth in a separate article, as follows: (quoting art. III).

"Let us test the existing controversy by the provisions of this article. 'If the United States * * * were the sovereign of the territory,' would it possess the right and authority to regulate commerce therewith, establish customhouses therein, and provide postal facilities therefor? This question must be answered in the affirmative.

"If it were conceded that the abstract, nominal 'rights, power, and authority of sovereignty in and over the zone' are vested in the Republic of Panama, there would still remain the fact that by said article III the United States is authorized to exercise the rights, power, and authority of sovereignty 'to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority.'

"If it could or should be admitted that the titular sovereign of the Canal Zone is the Republic of Panama, such sovereign is mediatized by its own act, solemnly declared and publicly proclaimed by treaty stipulations, induced by a desire to make possible the completion of a great work which will confer inestimable benefit upon the people of the isthmus and the nations of the world. It is difficult to believe that a member of the family of nations seriously contemplates abandon-

ing so high and honorable a position in order to engage in an endeavor to secure what at best is a 'barren scepter.'

"Under the stipulation of article III, if sovereign powers are to be exercised in and over the Canal Zone, they must be exercised by the United States. Such exercises of power must be, therefore, in accordance with the judgment and discretion of the constituted authorities of the United States, the governmental entity charged with responsibility for such exercise, and not in accordance with the judgment and discretion of a governmental entity that is not charged with such responsibility and by treaty stipulations acquiesces in 'the entire exclusion of the exercise by it of any sovereign rights, power, or authority' in and over the territory involved.

* * * * *

"That the plain and obvious meaning of article III was the one originally intended by the parties to the treaty is further shown by the provisions of article IX, X, XII, XIII.

* * * * *

"The United States at all times since the treaty was concluded has acted upon the theory that it had secured in and to the Canal Zone the exclusive jurisdiction to exercise sovereign rights, power, and authority.

"JOHN HAY."

(From letter Oct. 24, 1904, to J. D. de Obaldia.)

5. In an opinion rendered on January 7, 1907, the Supreme Court of the United States, after paraphrasing articles II and III of the 1903 convention said:

"Other provisions of the treaty add to the grants named in these two articles further guarantees of exclusive rights of the United States in the construction and maintenance of this canal. It is hypercritical to contend that the title of the United States is imperfect, and that the territory described does not belong to this Nation, because of the omission of some of the technical terms used in ordinary conveyances of real estate.

"Further, it is said that the boundaries of the zone are not described in the treaty; but the description is sufficient for identification, and it has been practically identified by the concurrent action of the two Nations alone interested in the matter. The fact that there may possibly be in the future some dispute as to the exact boundary on either side is immaterial. Such disputes not infrequently attend conveyances of real estate or cessions of territory. Alaska was ceded to us 40 years ago, but the boundary between it and the English possessions east was not settled until within the last 2 or 3 years. Yet no one ever doubted the title of this Republic to Alaska." (*Wilson v. Shaw*, 204 U.S. 24; 27 Sup. Ct. 233, 235.)

It is of interest to note the statement of Senator Morgan in asking to have the foregoing opinion printed in the CONGRESSIONAL RECORD, as follows:

"Mr. MORGAN. Mr. President, I desire to have printed in the RECORD an opinion of the Supreme Court of the United States, delivered on the 7th of January 1907, in which opinion the Supreme Court settled finally and forever the question of the sovereignty of the United States over the Panama Canal Zone, affirming the sovereignty of this country absolutely over that territory." (CONGRESSIONAL RECORD for Jan. 22, 1907; p. 1518).

6. The subject of sovereignty over the Canal Zone was covered briefly and comprehensively by Attorney General Bonaparte in 1907; and no occurrence since that time has detracted in any way from the accuracy or aptness of his statements. Mr. Bonaparte's entire discussion respecting sovereignty is here quoted:

"In my opinion the sovereignty over the Canal Zone is not an open or doubtful question.

"Article 3 of the treaty transfers to the United States, not the sovereignty by that term, but 'all the right, power and authority' within the zone that it would have if sovereign, 'to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority.'

"The omission to use words expressly passing sovereignty was dictated by reasons of public policy, I assume; but whatever the reason the treaty gives the substance of sovereignty, and instead of containing a mere declaration transferring the sovereignty, descends to the particulars 'all the rights, power, and authority' that belong to sovereignty, and negatives any such 'sovereign rights, power, or authority' in the former sovereign.

"The 'rights' so transferred are to be enjoyed (art. 2) 'in perpetuity,' and no exception is made of any persons or things in the zone.

"I am unable to perceive that this language is obscure or ambiguous or that we are warranted in resorting to any construction of it except by the first rule of construction—that plain and sensible words should be taken to mean what they say." (Opinion, Sept. 7, 1907 (26 Atty. Gen. 376).)

7. The American consul general in charge of Greek interests in the Republic of Panama received in 1908 instructions from the Minister of Foreign Affairs of Greece to take charge of the estates of Greek subjects who had died within the Canal Zone. The Department of State asked the Greek Minister in Washington to inform his Government that, as the Canal Zone was "under the sovereignty of the Government of the United States," it would not be feasible for the American consul general at Panama to act therein in representation of Greek interests (Digest of International Law, Hackworth, vol. IV, p. 493).

8. In an opinion dated July 14, 1914 (30 Atty. Gen. 271), Attorney General McReynolds considered the applicability to the Canal Zone of the Narcotic Drugs Import-Export Act of 1914, and said:

"I am clearly of the opinion that these sections are applicable to the Canal Zone. That the Canal Zone is 'territory under the control or jurisdiction' of the United States has been held in a long line of opinions by the Attorneys General (see 25 Op. 441, 444, 474; 26 Op. 113, 116; 26 Op. 376, 377; 27 Op. 136, 138). The opinions, seemingly contra, rendered with relation to the Tariff Act of 1909 and the 8-hour law of 1913, in 27th Opinion 594, and 30th Opinion 142, were concerned with constructions of special statutes, and were not determinative of the general question.

"That Congress in recent statutes clearly regards the Canal Zone as a possession of the United States, and therefore subject to its jurisdiction, is seen in the explicit provisions of the Employer's Liability Act of April 22, 1908 (ch. 149, sec. 2 (35 Stat. 65)), that 'every common carrier by railroad in the Territories, the District of Columbia, the Panama Canal Zone, or other possession of the United States,' etc., and of the Immigration Act of February 20, 1907 (ch. 1134, sec. 33 (34 Stat. 908)), that the term 'United States' 'shall be construed to mean the United States and any waters, territory, or other place subject to the jurisdiction thereof, except the Isthmian Canal Zone.'"

9. Relative to the authority of the United States to grant exequaturs to foreign consuls for the Canal Zone, a communication of July 21, 1921, from the Secretary of State (Hughes) to the Panamanian Chargé d'Affaires ad interim (Lefevre), is reported in the Digest of International Law, volume IV, page 670, as follows:

"By the provisions of this article of the treaty (art. III of the convention of November 18, 1903), the United States is granted, in the Canal Zone, all the rights, power and authority of a sovereign, and the Republic of Panama is entirely excluded from the exercise of such rights, power, and authority. It would therefore, seem clear that this article confers ample authority upon the Government of the United States to grant exequaturs to foreign consuls exercising consular functions in the Canal Zone."

10. In 1923, Secretary of State Hughes declared that the United States "would never recede from the position which it had taken in the note of Secretary Hay in 1904. This Government could not, and would not, enter into any discussion affecting its full right to deal with the Canal Zone under article III of the treaty of 1903 as if it were sovereign of the Canal Zone and to the entire exclusion of any sovereign rights or authority on the part of Panama" (Foreign Relations, 1923, vol. III, p. 684).

To this Secretary Hughes added:

"It was an absolute futility for the Panamanian Government to expect any American administration, no matter what it was, any President or any Secretary of State, ever to surrender any part of these rights which the United States had acquired under the treaty of 1903."

11. In a decision rendered to the Secretary of the Navy on July 17, 1935 (15 Comp. Gen. 36), Comptroller General McCarl said:

"Since the rights of the United States with respect to the zone are all inclusive, and the territory is subject to such laws as may be made applicable thereto by the Congress, it must be considered as included in the broad term 'territories and possessions' of the United States as used in section 2 of the Emergency Relief Appropriation Act of 1935."

12. In a decision rendered on November 21, 1936, to the Secretary of State on the question whether the Canal Zone was a "foreign country" within the meaning of an act authorizing the furnishing of quarters to Government employees without cost, Acting Comptroller General Elliott said:

"The United States exercises by virtue of article 3 of the aforesaid treaty a jurisdiction within said zone as complete as 'if it were the sovereign' therein to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, powers, or authority. See *Wilson v. Shaw*, 204 U.S. 24, at pages 31 and 33, wherein the Supreme Court in an opinion by Mr. Justice Brewer used the following language (quoting substantially the same portion of the opinion as is hereinbefore shown in this memorandum): 'Accordingly, you are advised that the Canal Zone may not be considered as a foreign country within the meaning of the act of June 26, 1930, supra.'"

13. An incident in 1936, respecting attempted extension of the divorce jurisdiction of the Panamanian courts to cases arising in the Canal Zone is reported in the Digest of International Law, Hackworth, volume 11, page 172, in the following language:

"In 1936 the Supreme Court of Justice of Panama, in a divorce action instituted by a woman resident in the Canal Zone, took the position that the jurisdiction of the Panamanian courts might be extended to cases arising within the Canal Zone and involving residents thereof. The Department of State, on June 30, 1936, instructed the Minister in Panama to present a note to the Panamanian Minister of Foreign Affairs saying that this attempted extension of judicial jurisdiction of the Panamanian courts appeared to be contrary to the provisions of the convention of November 18, 1903, between the United States and Panama, two treaties, etc. (Malloy, 1910) 1349. After quoting article III of that convention the note stated:

"'Since the foregoing article III grants to the United States all the rights, power and authority within the Canal Zone which it would possess and exercise if it were the sovereign of that territory, to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority, and since the exercise of judicial jurisdiction through the courts is undoubtedly one of the attributes of sovereignty covered by that article, it is apparent that the extension of the jurisdiction of the courts of Panama in the manner apparently contemplated by the Supreme Court of Justice would not only be inconsistent with the broad treaty provisions referred to above, but would also give rise to an overlapping of judicial jurisdiction, since the competency of the Canal Zone courts to render judgment in cases such as that of *Beatrice Harris versus Chester M. Buel* is not open to question. Therefore, not only would the extension of Panamanian judicial jurisdiction to the Canal Zone be in violation of specific treaty provisions, but the consequent legal confusion would unquestionably prove an obstacle to the effective administration of justice.'

"It was also pointed out that it was very doubtful whether the divorce decree in question would be recognized as valid in the Canal Zone or in the United States. The Minister was accordingly instructed to protest against the position taken by the Supreme Court of Justice of Panama and to express the hope that the Panamanian Government would take appropriate steps to dispel any misunderstandings or inconveniences resulting therefrom.

"The Minister of Foreign Affairs replied stating, *inter alia*, that the spokesmen of the Republic of Panama in respect to foreign relations was the Panamanian Foreign Office and not the judiciary and that the executive branch of the Panamanian Government had never agreed with the Government of the United States in its interpretation of article III of the convention of 1903 but that, as an act of courtesy, a copy of the Minister's note (written in compliance with the instructions of the Department of State) would be sent to the President of the Supreme Court of Justice of Panama."

14. There have been, as hereinbefore indicated, numerous other occasions, including recent occasions, whereon the Department of State has had occasion to construe and apply article III. It would serve no purpose to abstract more of them. The uniform position of the U.S. Government has been (paraphrasing the language of Attorney General Bonaparte in 1907 in 26 Atty. Gen. 376) that the sovereignty over the Canal Zone is not an open or doubtful question; and that the language of article III is not obscure or ambiguous, and that there is no warrant for resorting to any construction of it except by the first rule of construction—that plain and sensible words should be taken to mean what they

say. That the United States has, from the beginning, acted upon these views is apparent from the letter of Secretary of State Hay to Minister Obaldia on October 24, 1904, wherein it was said:

"The United States at all times since the treaty was concluded has acted upon the theory that it had secured in and to the Canal Zone the exclusive jurisdiction to exercise sovereign rights, power, and authority."

15. All requests by Panama during the 1953 treaty negotiations that would have involved a concession to Panama of any right to exercise sovereignty in the Canal Zone were unequivocally rejected by the United States on the basis of the officially reaffirmed position of the United States that no useful purpose would be served in debating the question of sovereignty, that such matters were resolved by article III of the 1903 convention giving to the United States the right to exercise all sovereign rights, power, and authority in the Canal Zone "to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority," and that the United States is not disposed to alter its basic rights as described in said article III.

The theory of titular sovereignty

16. Some discussion is believed indicated at this point of the concept, adopted by some and rejected by others, that the grants in the 1903 Convention left a "titular sovereignty" in the Republic of Panama. The principal references to this theory are abstracted below.

17. Secretary of State Hay discussed this theory in the following terms:

"If it were conceded that the abstract, nominal 'rights, power, and authority of sovereignty in and over the zone' are vested in the Republic of Panama there would still remain the fact that by said article III the United States is authorized to exercise the rights, power, and authority of sovereignty 'to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority.'"

"If it could or should be admitted that the titular sovereign of the Canal Zone is the Republic of Panama, such sovereign is mediatized by its own act, solemnly declared and publicly proclaimed by treaty stipulations, induced by a desire to make possible the completion of a great work which will confer inestimable benefit upon the people of the Isthmus and the nations of the world. It is difficult to believe that a member of the family of nations seriously contemplates abandoning so high and honorable a position in order to engage in an endeavor to secure what at best is a 'barren scepter.'" (Letter, Oct. 24, 1904, from Secretary of State Hay to Minister Obaldia.)

18. It is to be noted, first, that Secretary Hay did not concede or admit the correctness of the theory, and, second, that he deemed titular sovereignty "at best, a 'barren scepter.'"

19. William Howard Taft, then Secretary of War, discussed this theory in the course of a long statement presented on April 18, 1906, to the Senate Committee on Inter-oceanic Canals. In a part of that statement devoted to the Executive order or *modus vivendi* of December 3, 1904 (Taft agreement), Mr. Taft, after quoting article III, said:

"It [art. III] is peculiar in not conferring sovereignty directly upon the United States, but in giving to the United States the powers which it would have if it were sovereign. This gives rise to the obvious implication that a mere titular sovereignty is reserved in the Panamanian Government. Now, I agree that to the Anglo-Saxon mind a titular sovereignty is like what Governor Allen, of Ohio, once characterized as a 'barren ideality,' but to the Spanish or Latin mind poetic and sentimental, enjoying the intellectual refinements, and dwelling much on names and forms it is by no means unimportant." (S. Doc. No. 401, 59th Cong., 2d sess., vol. III, p. 2526.)

20. The foregoing abstract was placed in the Congressional Record by Senator Brandegee in 1912 (Congressional Record for July 24, 1912, at p. 10119). It may be observed that Mr. Taft, unlike Mr. Hay, thought it obvious that a titular sovereignty remained in the Republic of Panama; but that Mr. Taft agreed that a titular sovereignty is like a "barren ideality."

21. Mr. Taft again discussed this theory in the year 1930, when as Chief Justice, he delivered the opinion of the Supreme Court in *Luckenbach S.S. Co. v. United States*, 280 U.S. 173; 50 Sup. Ct. 148. He said:

"Whether the grant in the treaty amounts to a complete session of territory and dominion to the United States, or is so limited that it leaves at least titular

sovereignty in the Republic of Panama, is a question which has been the subject of diverging opinions (citing 20 Am. Journal of International Law, pp. 120-122; Isthmian Highway, Miller, p. 221; *Wilson v. Shaw*, 204 U.S. 24, 32, 33, 27 S. Ct. 223, 51 L. Ed. 351) and is much discussed in the briefs."

The opinion proceeds to say that for the purposes of that case the construction of the treaty in that regard need not be examined as an original question.

22. Two further observations are believed important regarding titular sovereignty:

First. If it were to be conceded or admitted that the Republic of Panama has titular sovereignty over the Canal Zone (the United States has never officially so conceded or admitted), the facts would remain that the titular sovereignty of Panama would be wholly naked or barren ("a barren scepter" and "barren ideality"); that such sovereignty would be wholly latent or dormant (reversionary in character) so far as practical effect is concerned; and that the Republic of Panama would derive therefrom no (present) sovereign right, power, privilege, or perquisite whatsoever.

Second. The Republic of Panama has never at any time, so far as available records show, contended that it possessed titular sovereignty over the Canal Zone. Instead, the Republic of Panama, after observing that article III did not use words expressly transferring sovereignty, has contended, in various terms and in various connections, that it is the sovereign over the Canal Zone; that is, has claimed what Attorney General Bonaparte called the substance of sovereignty.

Conclusions

23. The United States has the exclusive right to the exercise of sovereign rights, power, and authority in the Canal Zone. The Republic of Panama has no right to the exercise of sovereign rights, power, and authority in the Canal Zone, and no right to the perquisites or privileges of a sovereign in the Canal Zone. Any titular sovereignty which the Republic of Panama may possess in the Canal Zone is wholly barren and dormant (reversionary in character) at least so long as the convention of 1903 remains in effect. The United States sees no useful purpose to be served in debating the question of sovereignty, as such, over the Canal Zone, a matter fully resolved by article III of the 1903 convention. The United States is not disposed to alter its basic rights in the Canal Zone as described in article IV of the 1903 convention.

[From the Congressional Record, 86th Cong., 2d sess., Apr. 19, 1960]

PANAMA CANAL: KEY TARGET OF FOURTH FRONT

Mr. WALTER. Mr. Speaker, for many months, as chairman of the House Committee on Un-American Activities, I have watched with increasing concern, the rising Red tide to the south of us that is now converging on the Isthmus of Panama. Thus, it has been with gratification that I have noted a growing understanding on the part of many Members of the Congress to this threat to hemispheric security as evidenced by their passage on February 2, 1960, by a vote of 381 to 12 of House Concurrent Resolution 459 concerning sovereignty over the Canal Zone territory.

Among those who have spoken out boldly in this regard, no one has presented a more comprehensive analysis of the questions involved than my colleague, the gentleman from Pennsylvania [Mr. Flood]. His many statements on this matter over a period of years are a valuable source of documented information on our isthmian and Latin-American policies.

His latest contribution is a notable address on the "Panama Canal: Key Target of Fourth Front," on April 18, 1960, before the National Defense Committee luncheon meeting of the National Society of the Daughters of the American Revolution at the Sheraton-Park Hotel, in Washington, D.C.

Presiding over this distinguished gathering from various sections of the country was Mrs. Wilson K. Barnes, national defense chairman of the national society. The chairman of the committee on arrangements was Mr. B. Harrison Lingo.

In order that the full text of our colleague's latest contribution may be available to the Nation at large, especially to libraries, editorial desks, schools, colleges, universities, and Government agencies concerned with Isthmian Canal policy questions, I quote the indicated address:

On the morning of November 4, 1959, the people of the United States were surprised to read press dispatches from Panama about Canal Zone border violence on the previous day under large headlines, such as, "U.S. Troops Guard Canal Zone Against Mob." This news was not surprising to those in close touch with Isthmian developments.

Even though my studies had made it possible to foresee the disorders that occurred on November 3, 1959, and to warn proper authorities of the executive department as well as the Congress far in advance, it is indeed a sterile satisfaction to state that those grave disturbances occurred precisely on the day as predicted; precisely in the manner prophesied; and precisely with the results expected. It would have been far better had timely action by the Congress or Executive been taken to prevent this distressing incident from occurring.

Unfortunately, the events of that tragic day and the long series of developments leading to them have not been adequately presented by the mass media to the people of our Nation—a failure that has the savor of a conspiracy of silence. Because they are fundamental and transcend all lesser considerations, their adequate clarification is imperative and requires some frank speaking.

In so doing, I wish to emphasize that I am not an enemy of Panama, nor of any just aspirations of its people, among whom I have made numerous and treasured friendships extending back many years. I sincerely trust that what I say today will add to public knowledge in both Panama and the United States and lead to better understanding of the issues involved.

JURIDICAL BASE OF U.S. ISTHMIAN CANAL POLICY

The foundations of our Isthmian canal policies are rooted in four centuries of history and rest upon three important canal treaties.

First. The Hay-Pauncefote Treaty of 1901 between Great Britain and the United States, which facilitated construction of the Panama Canal. In this agreement, Great Britain relinquished its own rights for construction and control of an isthmian canal and recognized the exclusive rights of the United States thereto. The United States, in assuming this obligation, adopted the main points of the Convention of Constantinople of 1888 for the operation of the Suez Canal as the rules to govern the operation and management of the American canal. These provide that the canal shall be "free and open" to "vessels of commerce and of war" of "all nations" on terms of "entire equality" with tolls that are "just and equitable." It also authorizes the United States to protect it against "lawlessness and disorder."

Second. The Hay-Bunau-Varilla Treaty of November 18, 1903, between the Republic of Panama and the United States. On the part of Panama, this convention granted to the United States "in perpetuity" the "use, occupation, and control" of the Canal Zone for the construction of the Panama Canal and its perpetual maintenance, operation, sanitation, and protection, and, most significantly, as if the United States were the "sovereign of the territory" and to the "entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority." On the part of the United States, the main points for the purpose of this address were that it guaranteed the independence of Panama, which had just seceded from Colombia and whose existence depended on the protection of the United States and the success of the canal undertaking. The United States also was authorized to enforce sanitary ordinances and to maintain public order in the terminal cities of Panama and Colon and in the territories and harbors adjacent thereto in event of failure of the Republic of Panama to do so, as well as to acquire property within these cities and adjacent areas for canal purposes through the exercise of the right of eminent domain.

Third. The Thomson-Urrutia Treaty of April 6, 1914, proclaimed March 30, 1922, between the United States and the Republic of Colombia, the sovereign of the isthmus prior to the Panama Revolution of November 3, 1903. This treaty aimed at removal of all misunderstandings growing out of the political events in Panama in November 1903, restoration of the cordial friendship that had previously existed between Colombia and the United States, and definition and regulation of their rights and interests with respect to the Panama Canal and Panama Railroad.

The negotiations of these three treaties were the contributions of some of the ablest men of their times. They knew the history of the isthmus as a land of endemic revolution and political instability. They understood the lessons of the Suez Canal, and benefited by them in adopting policies for administering the Panama Canal. They knew the difficulties experienced in the negotiations with Colombia for a satisfactory canal treaty, which was finally rejected by the senate of that country, and thereupon determined to solve permanently the problem of sovereignty in the Canal Zone.

With duality of control as originally proposed in the rejected Hay-Herran Treaty removed, the framers of the Hay-Bunau-Varilla Treaty were justified in feeling that what would have been a perpetual cause of conflict and recrimination, which always accompanies extraterritorial rights, had been eliminated forever.

The Canal Zone is a constitutionally acquired domain of the United States. Under our Constitution, the treaties and statutes that relate to its acquisition, the subsequent construction of the Panama Canal, and its perpetual operation, are "supreme law of the land." Moreover, the framers of the Hay-Bunau-Varilla Treaty were far visioned. They discriminated between the "grant" of the Canal Zone "in perpetuity" and the "life of this convention," which they realized would probably be modified. They even provided against the pos-

sibility of Panama entering "any union or confederation of states, so as to merge her sovereignty or independence," in which case the treaty provides that "the rights of the United States * * * shall not be in any respect lessened or impaired."

CANAL ZONE: U.S. GOVERNMENT RESERVATION

Despite the clear wording of the Panama Canal treaties, so many misconceptions of their key features have characterized press coverage in recent years, even including some of the most respected encyclopedias, that clarifications are essential. In this, the first fact of importance to note is that the original recommendation to secure control of the Canal Zone "in perpetuity" was made by the Isthmian Canal Commission in early 1902. This was followed by the Spooner Act, approved June 28, 1902, authorizing the President to secure by means of a treaty the "perpetual control" of the Canal Zone for the construction and "perpetual" maintenance, operation, sanitation, and protection of the Panama Canal.

It is true that the preamble of the 1903 treaty acquiring the Canal Zone describes the "sovereignty of such territory as being actually vested in the Republic of Panama." This description was used, however, to indicate the transfer of sovereignty over the area from Colombia to Panama as the result of the secession of Panama from Colombia and thereby to show the authority of Panama to cede to the United States that jurisdiction for canal purposes. Certainly it was not used for the purpose of establishing the sovereignty of Panama over the Canal Zone after its occupation in 1904 by the United States.

The fact that U.S. sovereignty over the zone is absolute was clearly indicated by Bunau-Varilla, Panama's Minister to the United States and one of the principal draftsmen of the 1903 treaty, who stated: "After mature thought, I recognized that if I enumerated in succession the various attributes of sovereignty granted, I ran the risk of seeing in the U.S. Senate, some other attributes asked for.

"To cut short any possible debate I decided to grant a concession of sovereignty en bloc.

"The formula which seemed to me the best one was to grant to the United States in the Canal Zone 'all the rights, power, and authority which the United States would possess and exercise if it were the sovereign of the territory; to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power and authority.'"

Thus, it is definitely established that the Canal Zone was not sold, ceded, or leased, but granted in perpetuity to the United States for perpetual operation of the Panama Canal. Not only that, all privately owned properties in the Canal Zone were later bought by the United States, and these included the Panama Railroad.

In addition to the titles thus secured, Colombia, in the Thomson-Urrutia Treaty recognized the title to both the Panama Canal and Panama Railroad as "vested entirely and absolutely" in the United States "without any encumbrances whatever."

Moreover, President Taft, by Executive order of December 5, 1912, pursuant to the 1903 treaty and the Panama Canal Act, declared that "all land and land under water within the limits of the Canal Zone are necessary for the construction, maintenance, operation, protection and sanitation of the Panama Canal."

All these points, Madam Chairman, and many others that could be stated, remove all doubt as to the sovereign control of the entire Canal Zone. Its status is that of a U.S. Government reservation with full and exclusive sovereign control vested in the United States. The only authorized symbol of such absolute authority is the flag of the United States.

SECRETARIES HAY, TAFT, AND HUGHES: CANAL ZONE SOVEREIGNTY VIEWS

The current agitation about the sovereign control of the Canal Zone is not a new issue but an old one periodically dragged out of its tomb for political purposes. Notwithstanding the fact that this subject has been repeatedly clarified, recent references to Panama as the "titular sovereign" of the Canal Zone, or whatever that is, by high officials of our own State Department and others, cannot be dismissed as effusions of the ignorant, for they have been presented as

reaffirmations of the views enunciated in 1906 by Secretary William Howard Taft. What are some of the key facts in the history of this matter?

Secretary of Government Tomas Arias of Panama, one of the revolutionary junta of 1903, in a note dated May 25, 1904, addressed to Gov. George W. Davis of the Canal Zone stated:

"The Government of the Republic of Panama considers that upon the exchange of ratification of the treaty for opening the interoceanic canal across the Isthmus of Panama, its jurisdiction ceased over the zone." Ratification of this treaty, it may be stated, were exchanged on February 26, 1904.

In spite of this clear, unequivocal declaration, Secretary Arias later presented the "sovereignty" question to the United States. In a comprehensive reply to the Panamanian Government on October 24, 1904, Secretary of State Hay asserted that "the great object to be accomplished by the treaty is to enable the United States to construct the canal by the expenditure of public funds of the United States—funds created by the collection of taxes" and that "the position of the United States is that the words 'for construction, maintenance, operation, sanitation, and the protection of the said canal' were not intended as a limitation on the grant, but are a declaration of the inducement prompting the Republic of Panama to make the grant" of the Canal Zone to the United States in perpetuity.

Though Secretary Hay mentioned the term, "titular sovereign of the Canal Zone," he stated that such sovereign is "mediated by its own acts, solemnly declared and publicly proclaimed by treaty stipulations, induced by a desire to make possible the completion of a great work which will confer inestimable benefit on the people of the isthmus and the nations of the world." He also stated that it was difficult to conceive of a country contemplating the abandonment of such a "high and honorable position, in order to engage in an endeavor to secure what at best is a 'barren scepter'."

Later, on April 18, 1906, while testifying before the Senate Committee on Interoceanic Canals, Secretary of War Taft, when commenting in article III of the Hay-Bunau-Varilla Treaty, stated:

"It is peculiar in not conferring sovereignty directly upon the United States, but in giving to the United States the powers which it would have if it were sovereign. This gives rise to the obvious implication that a mere titular sovereignty is reserved in the Panamanian Government. Now, I agree that to the Anglo-Saxon mind a titular sovereignty is * * * a barren ideality, but to the Spanish or Latin mind, poetic and sentimental, enjoying the intellectual refinements, and dwelling much on names and forms, it is by no means unimportant."

Prior to that, on January 12, 1905, Secretary Taft, when commenting on the question of Canal Zone jurisdiction to President Theodore Roosevelt, stated:

"The truth is that while we have all the attributes of sovereignty necessary in the construction, maintenance, and protection of the canal, the very form in which these attributes are conferred in the treaty seems to preserve the titular sovereignty over the Canal Zone in the Republic of Panama, and as we have conceded to us complete judicial and public power and control over the zone and the two ports at the end of the canal, I can see no reason for creating a resentment on the part of the people of the Isthmus by quarreling over that which is dear to them but which to us is of no real moment whatever."

This is not the last significant statement by Mr. Taft on this matter. On February 9, 1909, in an address delivered in New Orleans when he was President-elect, he said:

"If the Hay-Herran Treaty of 1903 had been confirmed by the Colombian Senate, a failure to do which aroused our national indignation, we would not have been at all in the favorable position we are now to complete the canal.

"Because under the treaty with Panama, we are entitled to exercise all the sovereignty and all of the rights of sovereignty that we would exercise if we were sovereign, and Panama excluded from exercising any rights to the contrary of those conceded to us. Now that may be a ticklish argument, but I do not care whether it is or not. We are there. We have the right to govern that strip, and we are going to govern it."

Now, Madam Chairman, these forthright words of Mr. Taft, who was associated with the Panama Canal in responsible capacity longer than any other high U.S. official, should still the clamor of those who have been quoting him out of context.

But Mr. Taft was not the last high official to speak out vigorously on Canal Zone sovereignty questions. On December 15, 1923, Secretary of State Hughes,

in a conversation with Dr. Ricardo J. Alfaro, then Minister of Panama to the United States, declared with a refreshing degree of candor that the U.S. Government "would never recede from the position which it had taken in the note of Secretary Hay in 1904." To this he added: "This Government could not and would not enter into any discussion affecting its full right to deal with the Canal Zone under article III of the treaty of 1903 as if it were sovereign of the Canal Zone and to the entire exclusion of any sovereign rights or authority on the part of Panama."

Moreover, Secretary Hughes declared: "It was an absolute futility for the Panamanian Government to expect any American administration, no matter what it was, any President or Secretary of State, ever to surrender any part of these rights which the United States had acquired under the treaty of 1903."

In view of all the facts, Madam Chairman, the best case that can be made for Panama's claim of sovereignty over the Canal Zone is that of a reversionary character in the sole event of the United States ceasing to maintain and operate the canal. Should that ever occur, the United States would probably offer no objection to reassumption by Panama of sovereign control of the Canal Zone. Meanwhile, to encourage Panamanians to think that titular sovereignty is something that it is not, is lacking in forthrightness and counter to the best interests of the United States.

DIPLOMATIC DIKE IS BROKEN

The completion of the Panama Canal within the cost and time estimates and its successful maintenance and operation since opening to traffic in 1914 form one of the most brilliant chapters of the United States history. Former President Theodore Roosevelt always considered them of an importance comparable to the Louisiana Purchase. He and other statesmen who contributed to the success of the enterprise had every reason to be proud of their achievement.

For many years the project went ahead on the force of its initial impetus. The giants of the early years gradually passed from the scene and the conduct of our isthmiian policies fell into less capable hands. Even so, it required the impact of the great depression of 1929-32 and the Cuban revolution of 1933 to start a chain of events at Panama that are still in motion.

In this connection, it should be recalled that until the abrogation of the Platt amendment of the Cuban Constitution, by treaty on May 31, 1934, following a period of violence in Cuba, the United States had the right to intervene for the "preservation of Cuban independence, the maintenance of a government adequate for the protection of life, property, and individual liberty."

It was after this policy of abandonment in Cuba that the Hull-Alfaro Treaty of 1936 between Panama and the United States was negotiated. Its first article abrogated article I of the 1903 Hay-Bunau-Varilla Treaty, by which the United States had undertaken to guarantee and maintain the independence of the Republic of Panama—a provision included in the Panama Constitution and known to Panamanians as the Platt amendment of Panama. This treaty was the first breach in the juridical foundation for the Panama Canal enterprise.

Other surrenders in the 1936 treaty include loss on the part of the United States of important sovereign powers and rights affecting the Panama Canal, especially that of eminent domain within the Republic of Panama, all without adequate compensation to the United States, which had borne all costs of construction, sanitation, and defense. But the erosion did not stop there.

After prolonged secret negotiations started in 1953, the process was further advanced in the Eisenhower-Romon Treaty of 1955. While in nowise abridging the sovereign authority of the United States over the Canal Zone and Panama Canal granted in articles II and III of the 1903 treaty, the 1955 treaty went much further in its surrenders than the 1936 treaty.

The 1955 treaty, which was ratified without adequate debate, gave away additional rights and properties of the United States and increased the canal annuity from \$430,000 allowed in the 1936 treaty to \$1,930,000. Among its most regrettable features was surrender to Panama, without proper investigations and without authorization by Congress of valuable Panama Railroad properties in the cities of Panama and Colon, including the designed terminal freight yards and passenger stations in those cities, valued not less than \$24 million. Not only that, the 1955 treaty even contemplated the abandonment of the railroad itself.

Fortunately, the Congress intervened and prevented the liquidation of this vital railroad. But its action was too late to save the terminal yards and pas-

senger stations. Now, because there was no treaty requirement for their replacement by Panama, we are going to have a transisthmian railroad without its originally designed and adequate terminal stations and yards.

Can you imagine, Madam Chairman, anything more absurd, or more ominous for the future conduct of our isthmian policies? To say the least, our treaty power was grossly derelict, not only of U.S. interests, but also of the treaty rights of Colombia in the Panama Railroad. Why is it that our Government failed to have competent negotiators? We had the men of proper qualifications and experience in the United States. Why did we not use them?

The overall results of our sustained surrenders at Panama have been withdrawal of U.S. activities to the Canal Zone and serious impairment of them within the Canal Zone. The costs involved will have to be borne by American taxpayers, Canal Zone residents, the Panamanian masses, and interoceanic commerce that has to pay tolls. But even more important, we have given away our bargaining powers for dealing with Panama.

The results of these diplomatic failures are not accidental, but are part of a calculated plan. This was revealed by Ambassador Ricardo M. Arias of Panama in a major political address on April 29, 1958, at the Edmund A. Walsh School of Foreign Service of Georgetown University, which was featured by hostile propaganda against the United States. Among his revelations was this significant statement:

"The foreign policy of my country during the last 50 years has been to exert every effort in order to obtain at least for Panama conditions similar to those granted by the United States to Colombia in January 1903."

This pronouncement of Panamanian policy, Madam Chairman, should not be taken lightly, but as a serious warning. Its objectives are rescission of the perpetuity and sovereignty provisions of the 1903 treaty, early establishment of dual sovereignty over the Canal Zone, and finally nationalization of the Panama Canal. It is no wonder that many North Americans have become disturbed about the Panama Canal and wish to know how the present turmoil and uncertainty were ever allowed to develop.

PANAMA CANAL ZONE NOT AN OCCUPIED TERRITORY

World War II commenced in September 1939, which was shortly after the 1936 treaty was finally ratified by the U.S. Senate. In preparation for possible involvement, the United States had to obtain sites for defense installations in the Republic of Panama, all necessary for protection of the Panama Canal. Because of the loss of the right of eminent domain in the Republic of Panama, the United States was denied that method for securing bases and had to obtain them through diplomatic channels, amidst mounting difficulties and exorbitant demands for rentals. It was not until May 18, 1942, that a defense sites agreement was at last signed.

After the war, anti-American clamor erupted, with unanimous demand by the Panama National Assembly for evacuation of all sites. The President of Panama also was quoted as demanding that the 1936 treaty be made "more effective in terms of benefits for Panama." All of this agitation led to negotiations between Panama and the United States for a defense base treaty.

On December 9, 1947, Foreign Minister Ricardo J. Alfaro of Panama resigned in protest against his government's agreeing to extend the leases on the most important bases still held by the United States. Following this lead, the Panama National Assembly, surrounded by anti-American mobs, threatening to lynch any member who voted for leasing the bases to the United States, unanimously rejected the treaty.

The United States had no legal recourse except to evacuate all military bases in the Republic. It is but fair to state at this point, however, that the mobdictated action of the Panama National Assembly was counter to the wishes of many thoughtful Panamanians, who recognized that the higher interests of their country required approval of that treaty and not its rejection.

It was in the midst of the defense base agitations in Panama that another more threatening event occurred in Washington. In November 1946, the State Department, following a furious Soviet attack in the U.N. on the United States, charging that American defense bases around the world were evidence of aggression, sent to the U.N. a report of bases listing the Canal Zone as one of the U.S. occupied territories.

Is there any wonder, Madam Chairman, after our own State Department classed one of the most vitally important constitutionally acquired domains of the United States as an "occupied territory" that we should have trouble in defending the legal status of the Canal Zone as a grant in perpetuity? In view of its juridical history, it would be just as logical to list Alaska or the Gadsden Purchase as "occupied territories." Certainly, there could be no such turning back of the clock of history.

IMPACT OF NATIONALIZATION OF SUEZ CANAL AT PANAMA

Despite the generous treatment afforded Panama in the 1955 treaty already discussed, events having a great impact on the isthmus did not stop. On July 21-22, 1956, Presidents of the American nations met at Panama City in the Republic of Panama, attracting world attention to the great canal project on which the economic well-being of Panama largely depends. While public interest was thus focused toward the West, events of far greater significance were in making in the Near East.

Four days later, on July 26, Egypt nationalized the Suez Canal. Officially endorsed by the Government of Panama, this seizure of the Suez Canal started a chain of events affecting the Panama Canal, which accelerated trends already evident. Nationalization thus became the battle cry of radical elements in Panama, especially by students at the Panama University, where, backed by Communist influence, they proudly displayed a large sign: "The canal is ours."

Foreseeing the pending dangers and realizing the imperative need for a congressional reaffirmation on our Isthmian Canal policy, on June 27, 1957, I introduced a resolution to that effect (H. Con. Res. 205, 85th Cong.). In the light of subsequent developments, it is indeed unfortunate that no action was taken on it. This failure was interpreted on the isthmus as lack of leadership and psychological weakness. It served to encourage radical agitators to continue their course.

In a carefully organized raid into the Canal Zone on May 2, 1958, called Operation Sovereignty, Panamanian University students planted 72 Panamanian flags at places of prominence, including one in front of the Canal Zone administration building—an eventuality that I had foreseen and had sought to prevent by sending timely warning to proper officials.

Though this highly provocative incident was witnessed by Panama Canal authorities, the trespassers were not interfered with by Canal Zone police and were allowed to leave the zone without obstruction.

This 1958 flag-planting mob invasion of the Canal Zone, Madam Chairman, was not a simple student prank as some of our officials tried to explain, but a calculated move in worldwide psychological warfare of Communist form against the United States. It received extensive coverage in Latin America, and also in the Soviet press, further emboldening Panamanian agitators to plan new measures of mob violence. It is, indeed, significant that in this same month of May 1958, that the Vice President of the United States, and his wife, during the latter part of his visit of good will to Latin America, were subjected to the grossest forms of indignity, also perpetrated by students of Peruvian and Venezuelan universities, with the ruthless skill of the trained leadership so characteristic of the Red pattern.

It is extremely pertinent to state at this juncture that had the United States in the 1936 treaty not abandoned its 1903 treaty obligations for the maintenance of public order in the cities of Panama and Colon, the May 2, 1958, mob invasion would have been unthinkable. As it was, the wolves of disorder had tasted blood.

Subsequent to these grave disturbances, Dr. Milton Eisenhower, brother of the President and president of Johns Hopkins University, visited the isthmus as a special representative of the U.S. Government. What useful purpose his visit served is not clear, but we shall hear of him later.

CONGRESS FAILS TO REASSERT U.S. ISTHMIAN POLICY

The situation on the isthmus, meantime, did not stabilize. In a Panamanian enactment signed by President Ernesto de la Guardia, Jr., on December 18, 1958, Panama, by unilateral action, attempted to extend its territorial boundaries by sea from the internationally recognized 3-mile limit to a 12-mile limit. This extended area completely encircled the Canal Zone and, in fact, was aimed at

making the Panama Canal another Berlin. Because I so described it in an address to the House of Representatives of the United States, I was formally declared by the National Assembly of Panama as "Panama's No. 1 gratuitous enemy."

Here I wish to assert again that I am not an enemy of Panama and that, if Panama has any enemy No. 1, he is among its own radicals, demagogues, and revolutionaries who seem willing to bring their country to the brink of ruin in order to enhance their own political fortunes.

In a note to Panama delivered on January 7, 1959, the United States refused to recognize the Panamanian claim for wider territorial seas. In addition to the technical objections raised by the State Department to the attempted extension, I would say that it is a clear violation of the sovereignty provisions in articles II and III of the 1903 Hay-Bunau-Varilla Treaty, which because of their basic importance I shall quote in part for ready availability:

"ARTICLE II

"The Republic of Panama grants to the United States in perpetuity the use, occupation, and control of a zone of land and land under water for the construction, maintenance, operation, sanitation, and protection of said canal to the width of 10 miles extending to the distance of 5 miles on each side of the centerline of the route of the canal to be constructed; the said zone beginning in the Caribbean Sea 3 marine miles from mean low water mark and extending to and across the Isthmus of Panama into the Pacific Ocean to a distance of 3 marine miles from mean low water with the proviso that the cities of Panama and Colon and the harbors adjacent to said cities * * * shall not be included within this grant. * * *

"ARTICLE III

"The Republic of Panama grants to the United States all the rights, power, and authority within the zone mentioned and described in article II * * * which the United States would possess and exercise if it were sovereign of the territory * * * to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority."

It is well here to point out that in 1903, when the Hay-Bunau-Varilla Treaty was ratified by Panama, the limits of the territorial waters of the Republic and Canal Zone were coterminous. No subsequent agreement has changed these limits. Any change in them would necessarily apply to the Canal Zone as well as to the Republic.

The Department of State acted wisely in refusing to recognize the Panamanian claim for which action it deserves to be commended.

On the same day on which the U.S. note was delivered to Panama, January 9, 1959, I again introduced a concurrent resolution to reaffirm our Isthmian Canal policy. (H. Con. Res. 38, 86th Cong.) A concurrent resolution, it should be stressed, does not require Executive approval, but is an expression of the sense and judgment of the Congress. Despite this fact, the cognizant committee referred it to the executive department for consideration and recommendation. Of course, Madam Chairman under the prevailing attitude of appeasement here, appeasement there, and appeasement everywhere, the response was negative and the Congress was not given an opportunity to vote on a measure to declare its own sense and judgment concerning this crucial question.

Thus, radicals in Panama had the way cleared for further advancement of their plans in a situation which could only end in tragedy for all concerned.

PANAMA RADICALS CREATE SERIOUS INCIDENTS

Meanwhile, in the Republic of Cuba, the great island country on the northern flank of the Atlantic approaches to the Panama Canal, a revolution was nearing the end. Its recognized government was overthrown by a radical group headed by Fidel Castro. His administration, now revealed as Communist slanted, has engaged in the process of liquidation of its enemies by firing squads and extensive confiscation of American property by expropriation. With international communism previously entrenched in Venezuela on the southern flank, the conquest of Cuba through subversion saw both flanks of the Atlantic approaches to the Panama area controlled by alien revolutionary systems, which now are converging toward the canal itself.

Thus, it is not strange, Madam Chairman, that nearly a year after the 1958 Panamanian flag-planting mob invasion of the Canal Zone, on April 26, 1959, armed mercenaries from Cuba, in collaboration with radical elements in Panama, invaded that Republic. One part of their plan was to make token occupation of the Canal Zone; another to overthrow the constitutional government of President de la Guardia. But underlying all was the ultimate objective of driving the United States from its control of the Panama Canal.

The landing of the invaders threw political leaders and the upper class Panamanians into hysteria and confusion. The man in the street became apprehensive because of the obvious anxiety of government leaders. They would have become far more deeply concerned had they known that some top Panamanian Government officials moved their families into the Canal Zone—an area that has so often served as a political sanctuary in times of crises in the Republic.

Fortunately, the attempted invasion proved abortive, with the invaders surrendering to Panamanian authorities after intervention by the Organization of American States and the United States. But they were released with practically no punishment. Will there be more invasions of the American Isthmus? The indications are that there will.

Who were those invaders is a question frequently asked. The best answer to that query was supplied by President de la Guardia himself, who, after the invasion, stated:

"That was not just a group of adventurers from our country or even from Cuba. These people were mostly Cubans, but directed and led by militant Communists. Their ambition is the long-stated one of taking over the Panama Canal."

Nothing, Madam Chairman, could be more positive and clear cut than this statement by one in a position to know. Moreover, President de la Guardia's opinion is supported by overwhelming evidence. The formation of Communist-oriented governments in the Caribbean on both flanks of the Panama Canal approaches and recent attempts to invade several Isthmian countries constitute serious threats, not only to the United States, but also to all the Americas. As such, they are clear violations of the Monroe Doctrine.

Unfortunately, the moves in the conquest of Latin American countries through infiltration and subversion have been made with such skillful secrecy as to beguile our people with a false sense of security. But they should no longer be taken by surprise by seemingly sudden invasions, disorders, and extreme nationalistic agitations.

Mr. Allen W. Dulles, Director of Central Intelligence, recently stated:

"Nationalism"—as a slogan for the breaking of the ties of friendship between us and the countries of this hemisphere was the line given the Latin American Communist leaders who attended the 21st Party Congress in Moscow last February (1959). Details for the execution of this policy were then outlined to these leaders and some of the fruits of this planning can be seen today in Panama, Cuba, and elsewhere in this hemisphere."

By the time the impact of the April 26, 1959 Cuban invasion of the isthmus was over, the stage was being set for the next move. This was to be a "peaceful occupation" of the Canal Zone by Panamanian mobs on November 3, 1959—the 56th anniversary of Panama's independence from Colombia.

The leaders for this were Aquilino Boyd, a former Minister of Foreign Affairs of Panama and then a candidate for President, also Ernesto J. Castillero. They published their plans. Thus, it is not remarkable that it was possible for me to address the House of Representatives on July 29, 1959, warning against exactly what was to occur, also again to notify proper executive authorities of the pending danger.

Yet these various and most grave incidents, threats and warnings seem to have made no impact on the minds and consciences of those in positions of responsibility in the executive departments or even in the Congress itself.

NOVEMBER 3 AND 28, 1959

Independence Day celebration in Panama started normally, with President de la Guardia, the officers of his government, and the diplomatic corps attending colorful ceremonies in and near the historic Panama Cathedral. In the suburbs of the city, all was quiet, but alongside the Panama-Canal Zone border at the Pacific end of the canal, radical demonstrators were gathering in defiance of what the Panamanian Government had advised.

Canal Zones authorities had taken precautions against the entrance of unruly groups into the Canal Zone, with police and firemen ready for eventualities. A demonstrator made a grab for the pistol of a Canal Zone policeman, who plucked him from a marching group, and the worst boundary violence in isthmiian history was immediately underway.

Pummeled with rocks and insulted with profane and obscene epithets, Canal Zone police used remarkable restraint in repelling the assault. But they and firemen alone were not strong enough to withstand the attack, which forced the Governor of the Canal Zone to call upon the U.S. Army to take over the task of protection against the mob.

Frustrated in their designs, the mob then turned upon American property in Panama. They burned a Panama Railroad passenger car in the railroad terminal, looted stores, and, with Aquilino Boyd among them, stormed the U.S. Embassy where they tore the American flag from the Embassy mast, ripped it to pieces, and hoisted the Panamanian flag. Lesser disturbances occurred at the Atlantic end of the canal.

It is indeed regrettable that the Panama National Guard did not make timely attempts to maintain order on that fateful day. It was later learned that it received orders not to appear.

Further details of these disorders are not needed for presentation here, for they are covered comprehensively in the papers of Panama. They were generally ignored in the press of the United States, which has long maintained a near blackout of important news from the isthmus.

Did the U.S. administration issue a prompt and courageous statement backing up Canal Zone authorities to the hilt and warning that further efforts to invade the zone would be repelled by force if Panamanian authorities were unable or unwilling to appease those stirring up the trouble. Is there any wonder that the Panama National Assembly, by resolution on November 5, condemned Canal Zone authorities and vowed "not to rest until the Panama flag is raised on our territory on the Canal Zone."

Finally, on November 28, Panamanian mobs attempted to invade the Canal Zone a second time. On this occasion, the U.S. Army initially repelled the invaders until, at U.S. Army request, it was joined in restoring order by the Panama National Guard. The Panamanian forces won prompt public commendation from U.S. Government officials who had not seen fit to commend American authorities.

Now, Madam Chairman, while standing before this splendid body and speaking from a knowledge gleaned from the press of Panama, both English and Spanish, as well as from an extensive correspondence with witnesses, I wish to express my high admiration of the manner in which Canal Zone authorities, both civil and military, stood their ground during these crucial tests, especially the members of the Canal Zone Police and Fire Departments and the soldiers of the Army. They fought with their backs to the wall and measured up to the highest traditions of patriotism and service, also with the restraint and forbearance that comes with responsibility and power.

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Did the U.S. administration issue a prompt and courageous statement backing up Canal Zone authorities to the hilt and warning that further efforts to invade the zone would be repelled by force if Panamanian authorities were unable or unwilling to hold radicals and their Communist monitors in check? It did not.

Instead, the President, at his news conference of November 4, minimized the disorders as "really only an incident" and later sent a diplomatic emissary to Panama to appease those stirring up the trouble. Is there any wonder that the Panama National Assembly, by resolution on November 5, condemned Canal Zone authorities and vowed "not to rest until the Panama flag is raised on our territory on the Canal Zone."

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TITULAR SOVEREIGNTY AND THE PANAMA FLAG

Meanwhile, amid a tremendous buildup in the Panama press, a State Department emissary arrived on the isthmus for a series of conferences. What special qualifications he had for such a mission are not shown by his record. But after 3 days of discussions, on November 24, he asserted that the United States "reiterated U.S. recognition, stated more than 50 years ago, of Panama's titular sovereignty over the Canal Zone," which was not acceptable to Panamanian demagogues. Canal Zone residents were shocked by the implied surrender of American sovereign rights without the authorization of the Congress. And, I should add, this emissary was acting under orders of the Secretary of State.

Of special interest, Madam Chairman, were some unexpected revelations that events on the isthmus at this time were to stimulate. One was that on November 3, 1959, Panama was expecting a declaration by the United States acknowledging Panamanian sovereignty over the Canal Zone and that this expectation was based on conversations of the Minister of Finance, Fernando Eleta, with Dr. Milton Eisenhower on September 13, 1958, at Dr. Eisenhower's home in Baltimore.

So startling was this disclosure that the State Department was apparently constrained to issue what seemed to be a formal denial that Dr. Eisenhower had made "any statement which could be construed to commit the U.S. Government to any course of action."

Such an assertion was not a forthright denial of the statement attributed to the brother of the President, but a cleverly worded phrasing that is definitely misleading. Of course, the United States cannot be bound by the statement of a private citizen, even though he is the brother of the President. Nor, may I say, can any official of our Government abrogate, surrender, or annul the solemn obligations of our treaties with other nations. That, under our Constitution, can be done only by means of new treaty provisions promulgated by and with the advice and consent of the U.S. Senate. Otherwise, chaos would follow.

Thus, a controversy over what the President's brother said has added so much fuel to the flames of the ugly situation in Panama that nothing short of open declaration on the subject of sovereignty will meet the situation presented. Because the State Department has made such a complete fiasco over many years on this matter, this question is raised: What are the influences that have been controlling, and still seem to be controlling, the State Department's actions? Regardless of what the intentions may have been, they give aid and comfort to the avowed enemies of the United States, and, indeed, of the entire free world, at a most critical hour, and render our country's task of maintaining this great

waterway for the shipping of all lands and the defense of each and every country of the Western Hemisphere more difficult. What more could be accomplished by open, bold, and shameless treason than has thus been done?

We have competent, courageous, and well-informed men and women on isthmian questions in this country. Why is it that such exceptional persons are not used for such exceptional situations instead of relying on routine underlings and anonymous advisers? Surrenders can only lead to further extortions. Why do we not learn this lesson of history?

After the unfortunate "titular sovereignty" statement of the diplomatic emissary, which traces back to an equally unfortunate statement by Secretary Taft in 1906, that is usually quoted out of context, the point chosen for special emphasis by Panamanian publicists was not "titular sovereignty," but "sovereignty," for which status the Panamanian flag would be the symbol. They have emphasized that raising the flag would be only the first step in a movement that would include appointments as judges, postmasters, customs inspectors, and police, and, in fact, the control of all civil activities with eventual jurisdiction over all Canal Zone territory, followed by nationalization of the canal itself. Because of the importance that the first hoisting of the first Panama flag would have, they urge the flag raising be made a notable occasion, with the President of Panama hoisting it, and an Under Secretary of State of the United States dignifying the ceremony with his presence and participation.

Imagine, Madam Chairman, the feelings among well-informed, capable residents of the Canal Zone when they read how the President of the United States, at his December 2, 1959, news conference, stated that the United States had recognized the "titular sovereignty" of Panama over the Canal Zone for 50 years and that he believed that "we should have visual evidence that Panama does have titular sovereignty over the region." Is it strange that the Spanish language press of Panama, which is used as a weapon of warfare against the United States, promptly boasted that the disorders of November 3 and 28 have at last made the Government of our Nation sit up and take notice? Certainly not.

Americans in the Canal Zone, of course, became profoundly concerned, for they know the implications of any such surrender. As patriotic citizens, they felt bound to organize committees to keep the U.S. flag flying with undiminished stature and for U.S. retention of the Panama Canal. They have circularized the Congress, high U.S. officials, and the press, distributed pertinent news clippings, and written many illuminating letters to important leaders, all in protest to what they consider could become the biggest steal in the 20th century.

Can you imagine, Madam Chairman, the picture of American citizens resident on a U.S. Government reservation that is part of the constitutionally acquired domain of the United States being forced to organize and fight to keep the American flag flying and against a pending loss of jurisdiction of the Canal Zone? Certainly we have made ourselves the laughing stock of the world.

Our leaders, in their public utterances, have strayed far away from the historic policy of exclusive U.S. control stressed by American statesmen, starting with President Grant in 1881, when he commended "an American canal, on American soil, to the American people." Now, Madam Chairman and Daughters of the American Revolution, make no mistake about it, the day that the Panama flag is formally hoisted in the Canal Zone marks the beginning of the end of exclusive U.S. control over the Panama Canal. To prevent that I introduced another resolution declaring that the official display of any flag over the Canal Zone other than that of the United States as violative by law, treaty, international usage, and our historic canal policy (H. Con. Res. 450, 86th Cong.).

What the official display of the Panama flag over the Canal Zone would mean for the Panama Canal and world commerce, every realistic student of the subject, every experienced Panama Canal employee, and every thoughtful member of the Armed Forces on the isthmus knows. To say the least, it would be the climax of one of the most disgraceful chapters in the U.S. diplomatic history.

It is appropriate at this point, Madam Chairman, that I should express the fullest admiration for the vitally important work of the U.S. civil employees on the isthmus who, taking their careers in their hands, have courageously endeavored to alert the Congress and the Nation to the true situation at Panama. If for such patriotic services any element in our Government decided to engage in official reprisals, those of us in the Congress who are familiar with canal problems will be glad to have full information.

INTERNATIONALIZATION OR REGIONALIZATION?

Nationalization by Panama is not the real issue. Underlying agitations for it are demands by powerful groups, including high political personalities in the United States, for internationalization under the U.N. or other international authority. It is significant, Madam Chairman, that one of those who has spoken out for such internationalization is an aspirant for the Presidency of the United States. Moreover, he has recently come out for annulment of the 1946 Connally reservation to the United Nations World Court resolution.

This reservation provided that the United States would not accept compulsory jurisdiction of the International Court of Justice in matters which are essentially within the domestic jurisdiction of the United States as determined by the United States.

If the Connally reservation should ever be revoked and the jurisdiction of the U.N. International Court of Justice thereby extended without limit, Panama would be in a position to hail the United States before that tribunal, to which a distinguished Panamanian jurist has just been added as a member. Then Panama could demand that all the Panama Canal treaties be revised according to the latest Panamanian desires. This, Madam Chairman, is a real danger to which all Americans should be alerted before it makes further headway.

The latest proposal for the Panama Canal is its multilateralization through regionalization under the aegis of the Organization of American States, of which body, by the way, Fidel Castro, of Cuba, is a member. Recommended by three professors in the department of political science of Northwestern University, their views reflect scant knowledge and little understanding of the actual problems involved in the maintenance and operation of the great waterway. These so-called experts, lacking any practical knowledge of the conditions involved, have accomplished no more than to add some new terms to the already overburdened bureaucratic jargon on the subject, and to make confusion worse confounded.

Panama itself, it should be especially noted, does not wish either internationalization or regionalization for it is far easier to deal with one nation than with some 82 countries in the U.N. or with 20 other nations in the OAS. Nor is it likely that the larger nations of Latin America would permit Panama to nationalize the Panama Canal, which means that the recent agitations and mob violence in Panama have played into the hands of those whose aim is to place the Panama Canal under international control.

At this point, Madam Chairman, I wish to urge thoughtful leaders of Panama, who understand this situation well, to do their utmost to still the irresponsible agitations within their midst. They recall the facts of their history and should take them into account. They know that Panama grew out of the Panama Canal undertaking and not the canal out of Panama. They realize that the great sources of their income are from the United States, and that were these disrupted all of Panama would suffer and even the independence of Panama might be overthrown. Moreover, should the United States ever withdraw from the isthmus, the flag that would ultimately fly over the Canal Zone would not be that of Panama, but that of an international organization or of Colombia.

One angle of Isthmian history that few Panamanians or North Americans know is that the idea of internationalization is not new. It goes back to the Russian Revolution of 1917, when the Red Guard in Petrograd discussed it with John Reed, notorious North American Communist newspaper reporter. It is still the objective of Communist monitors that underlies much of the agitation for nationalization, for should the internationalization of the Panama Canal be brought about by an indirect process, that would serve as a precedent for internationalization of the Suez Canal and the Dardanelles. Control of the last has been a principal objective of Russia for centuries.

PANAMA CANAL NOT A PANAMANIAN RELIEF AGENCY

In the past few years, Madam Chairman, U.S. leadership in Panama policy matters has failed. Much time has been lost and we have given away our bargaining power to a country that has tragically defaulted on its prime treaty obligations to maintain order in the terminal cities of Panama and Colon. What should be done?

Basic to proper action is an understanding of the mission of the Panama Canal. It is an interoceanic public utility operated and maintained by the United States pursuant to treaty as a mandate for civilization. Moreover, it forms a part of the coastline of the United States.

As such, Panama Canal operations must not be confused and weakened through ill-advised policies of placation, for it is not a local enterprise for local political exploitation. Instead, it is one required by law, pursuant to treaty, to be self-sustaining with tolls that are "just and equitable" for the transit of vessels of all nations on terms of equality.

For many years the foreign policy of Panama has been fixed by mobs, with the Panamanian Government in general forced to accept mob dictation. The United States, in its dealings with Panama, instead of leading from the strength of an impregnable legal position with policies derived from reason and logic, has merely reacted to mob-instigated policies of Panama with surrender after surrender. This process, Madam Chairman, must stop and stop now, for the Panama Canal is not a Panamanian relief agency, but a business activity operated for the economic transit of vessels and for no other purpose.

Its management, reorganized in 1951 on a self-sustaining basis, pursuant to law, is an important treaty responsibility of the United States that must not be violated by any country or interest. Some of the 1955 treaty provisions violated sound business principles, notably the additional \$1,500,000 annuity, which violation the Congress partially corrected by transferring budgetary supervision for it from the Panama Canal Company to the Department of State, which was responsible for its perpetration. The current attempts to force Panama Canal purchases in the Republic of Panama may well become the cause of other violations of the act of 1950, for it is inevitable that prices in Panama will be raised and, as a precedent, might be used to require all U.S. purchases abroad at exorbitant prices.

Though the geographical location of the Republic of Panama places it in a favored position to do business with the Panama Canal enterprise and other U.S. Government agencies in the Canal Zone, this must rest on sound business practices. Otherwise, the possibilities for evil are great, among them the question of tolls and the cost of servicing vessels at Canal Zone ports.

The businesslike operation of the Panama Canal enterprise is one thing; relief for the Republic of Panama is another. The two must never be confused, and the Panama Canal must never be allowed to degenerate into a relief agency for the Republic of Panama.

PANAMA CANAL: SYMBOL OF FOURTH FRONT

In our concern, Madam Chairman, about the status of the Panama Canal, we cannot view it as an isolated question, but as one directly related to events elsewhere. For many months, the nations of this hemisphere have watched the steadily rising Red tide in various parts of Latin America, especially among the countries of the Caribbean. It is indeed significant that the campaign of the communistically controlled press in Cuba to end the "Yankee occupation" of our Guantanamo Naval Base and of the U.S.-educated, but Yankee-hating Chief Minister of Trinidad to take over our Chagaramus Naval Base on that island, have coincided with the Panamanian campaign of violence to gain "sovereignty" over the Canal Zone.

Prior to World War II, the great fear of the nations most likely to be involved was that of a two-front war—East and West. As to that danger, the United States was protected by two ocean barriers, patrolled by the Atlantic and Pacific fleets with provisions for a quick shifting of forces between the oceans by means of the Panama Canal.

Since World War II, that strategic setup has changed radically, incident to the advent of powerful aircraft, nuclear submarines, ballistic missiles, and other modern weapons. The protective barriers once afforded by the vast expanses of the Atlantic and Pacific Oceans and the icy wastes of the Arctic have in substantial degree been overcome, making them avenues for attacking the United States from three directions. To provide defenses on these three fronts, the Congress has appropriated billions.

While thus preoccupied, what has happened in our backyard to the south? In the vital area of the Caribbean, the forces behind the world revolutionary movement have focused on countries there with oft-repeated aim of bringing about the destruction of the United States and our system of constitutional lib-

erty. Encouraged by the formation of communistically oriented governments in Cuba and other western hemisphere countries, these forces, recognizing the Panama Canal as the strategic center of the Americas, have concentrated on the Isthmus of Panama.

In this light, Madam Chairman, the Panama Canal has become the principal target and symbol of a fourth front in a situation comparable to that which, in 1823, was faced by President Monroe when he proclaimed the Monroe Doctrine. The time has certainly come to extend that doctrine to guard again against the intervention of international communism by means of penetration and subversion. To that end, the United States, as the most powerful leader among the nations of the free world, should make clear to our friends and enemies all over the world, that in the exercise of our inherent right of self-defense and in the maintenance of the Monroe Doctrine, we are determined not to permit the intervention of international communism to endanger the peace and safety of our Nation or of other countries of the western hemisphere.

For that purpose, I introduced a resolution (H. Con. Res. 445, 86th Cong.), which embodies the language and principles of our historic foreign policies. This measure, Madam Chairman, is not based on a blind devotion to the past, but on a realistic appraisal of the present with a view of the future. Not only that, the necessity for such reaffirmation of the Monroe Doctrine was indicated by the President of the United States recently when addressing the Brazilian Congress.

PROGRAM FOR ISTHMIAN SECURITY

The history of the United States-Panama relations since 1936 conclusively shows that they have not been improved by sustained surrenders. Rather, they have progressively worsened in proportion to these surrenders.

The time has come for all appeasement to end and for positive measures, because the Panama Canal is a symbol of U.S. power and prestige. To that end, we must be definite and firm.

The program which I would suggest should include:

First. Reaffirmation of our historic policy of exclusive sovereign control of the Canal Zone and Panama Canal by the Congress (H. Con. Res. 33 and 450, 86th Cong.).

Second. Announcement by our Government that no hostile or other provocative demonstrations or invasions will be tolerated in the Canal Zone or within the strategic vicinity of the Panama Canal.

Third. Reactivation, under the direct control of the Chief of Naval Operations, of the Special Service Squadron for continuous display of the flag in the Caribbean area and other missions of diplomatic character.

Fourth. Proclamation by our Government that the Canal Zone is constitutionally acquired territory by the United States.

Fifth. Extension of the Monroe Doctrine to include penetration and subversion by means of a concurrent resolution of the Congress (H. Con. Res. 445, 86th Cong.).

As to the urgency for action on this program, the unfortunate events at Panama November 3 and 28, 1949, and recently in Cuba, speak far more eloquently than anything I can say. The questions that I have described are not local, but developments in a worldwide movement focusing on Panama. So far, the forces for undermining U.S. authority have had a virtually unobstructed field, with no organized counterforce. We must supply the countermeasures now, and, in doing so, we act not only for the just and indispensable rights of the United States to the Panama Canal, but as well to safeguard the peace and safety of the world.

[From the Congressional Record, 87th Cong., 2d sess., Apr. 12, 1962]

MONROE DOCTRINE OR KHRUSHCHEV DOCTRINE?

Mr. FLOOD. Mr. Speaker, over a period of years I have made many statements in the Congress concerning various aspects of U.S. policies in the Caribbean area. These have included discussions of the world revolutionary program for conquest of that hemispheric crossroads in which the Panama Canal has long been a key target.

Certainly, a matter so charged with serious implications as the control of the approaches to the Panama Canal, which are essential for its successful operation and protection, cannot remain unchallenged. The perspective afforded by prolonged study and close observation has enabled me to predict important events in the Caribbean and to give timely warnings of them to the Congress and the executive branch, including the introduction of measures to reaffirm and make definite our policies. It is indeed regrettable that those warnings were not heeded and measures not adopted, but any satisfaction that might be derived by me from having been right is a barren one, for my foremost concern is the security of my country at this time of peril.

As much of what will follow relates to the Republic of Panama, I wish to stress at the outset that I am in no sense an enemy of that country, or of its people. On the contrary, I am devoted to the best interests of both and believe that those interests can be served only by the unhampered control of our Government of the maintenance, operation, sanitation, and protection of the Panama Canal in accordance with our historic and tested Isthmian policies as embodied in basic canal treaties.

To the task of clarification of what is an explosive situation in our own backyard, I now address myself.

PANAMA REACTS TO CUBAN INSULTS

In the crisis now mounting in the Caribbean, significant events requiring decisive measures have thronged upon us.

But, as so often happens in a storm, a rift in the clouds shows some blue sky. This appeared in Panama on December 14, 1961, when the Government of that country under the leadership of President Roberto F. Chiari reacted to studied insults from Fidel Castro and broke diplomatic relations with Soviet Cuba, retroactive to December 9. Thus, once again world attention, despite preoccupations with Berlin, the Congo, Goa, Indonesia, Laos, and other distant trouble spots, has focused on the crucial Caribbean, long ago recognized by Admiral Mahan as the Mediterranean of the Americas.

UNITED STATES—ULTIMATE OBJECTIVE

What is the nature of the sinister force which, through expertly conducted centralized direction, is exerting its pressures in so many strategic points in the world today? It is not a political party in the

generally understood sense but pervasive action and intelligence arms of communistic revolutionary imperialism, which constitute conspiratorial fifth columns in every key spot, some government agencies, and influential sections of the mass news media. Its objective in warfare is destruction of the will to resist in advance of possible hostilities.

Emboldened by a long train of successes resulting from its calculated aggressiveness and encouraged by Western policies of placation and vacillation, this destructive force has taken over tremendous areas and great masses of population and imposed despotic governments of the most violent communistic character. These successes have indeed fed the fires of communistic revolutionary fanaticism and immeasurably strengthened the zeal and effort to bring the entire world under the yoke of despotism.

As has been aptly stated by an eminent theologian, "its cure for poverty is to increase it. Its cure for oppression is to universalize it. Its cure for injustice is to legalize it. Its cure for evil is to systematize it."

In every way, Mr. Speaker, Communist parties all over the world serve as Trojan horses, filled with trained and disciplined revolutionaries dedicated to the overthrow of all constitutional governments by force and violence, with the United States as its chief and ultimate objective.

For this aim, the conquest of the Caribbean is but the first stage in the long-range program for encirclement of our country—the bastion of constitutional liberty.

CRISIS IN THE CARIBBEAN

What is the record of the mounting crisis in the Caribbean? Some of its factors will be enumerated:

First. Failure and refusal by the Organization of American States to castigate Soviet Cuba for its lawless and violent actions against life and property.

Second. Display, under Executive order of September 17, 1960, by the United States, of the Panama flag over the Canal Zone territory, against the overwhelming opposition of the House of Representatives, formally expressed.

Third. Withdrawal by the United States of recognition of Communist Cuba.

Fourth. Issue in April 1961 by the Department of State of a white paper indicating U.S. support of "authentic and autonomous revolution" throughout the Americas, which action is certainly not a valid function of our Government.

Fifth. Failure on April 19, 1961, of the attempted liberation of Soviet Cuba under circumstances indicating subversive penetration of the U.S. security agencies.

Sixth. Declaration on May 1, 1961, by Premier Castro, following capture of the liberators, that Cuba is a Soviet satellite and his later admission that he has long been a secret Marxist-Leninist and that he had deliberately concealed this fact from the Cuban people during the course of the recent Cuban revolution.

Seventh. Establishment of a Communist beachhead in British Guiana by Cheddi Jagan, the newly elected Communist premier.

Eighth. Assent on November 2, 1961, to Communist-stimulated demands of Panama for new treaty negotiations, despite our generous concessions in 1936, 1942, and 1955.

From this cursory summary, Mr. Speaker, it is clear that the Caribbean is well on its way to becoming a Red lake, with Cuba and British Guiana, now admittedly Soviet satellites, covering both flanks of the Atlantic approaches to the Panama Canal, itself under bolshevist-inspired juridical attack.

PANAMA FLAG ENDANGERING CANAL ZONE SOVEREIGNTY

Of the long series of events contributing toward the present crisis in the Caribbean, the precedent set by Executive order on September 17, 1960, directing display of the Panama flag over the Canal Zone territory, is transcendent.

In Panama, this action was taken as a complete reversal of the U.S. position on the question of sovereignty and as formal recognition of basic sovereignty of Panama over the Canal Zone, as well as a lever for wringing future concessions, including setting a time for the transfer by the United States to Panama of the canal as a gift, pure and simple. Imagine, Mr. Speaker, the implications of this demand from a country whose very creation grew out of the movement to construct the Panama Canal.

In other countries, the action of the President made the United States a diplomatic laughing stock and it encouraged an extraordinary display of arrogance by Premier Castro in Cuba and alarmed shipping interests that have to pay tolls.

In our own country, it raised questions as to the identity of the influences in the Department of State that led to signing the ill-advised order and to constitutional issues of the highest importance for the future conduct of our foreign policy. Certainly, every realistic consideration demands that the order to raise the Panama flag over the Canal Zone must be disavowed.

For such disavowal, Mr. Speaker, recent studies by the House Committee on Foreign Affairs—House Report No. 2218, 86th Congress, August 31, 1960—supply ample justification. Further reasons of more impelling character will be found in our diplomatic history in the period immediately following World War II, when Alger Hiss was in charge of the Office of Special Political Affairs, in the Department of State.

Transmitting a 1946 report of the Governor of the Panama Canal to the United Nations, this office, which is to say, Alger Hiss, erroneously described the Canal Zone as "occupied territory"—Senate Interior Section Subcommittee, hearings on "Interlocking Subversion in Government Departments," part 19, March 25 and April 6, 1954, page 1365.

Enraging patriotic Panamanians, who oppose any move toward internationalization of the Panama Canal, this strange action gave the chairman of the Panamanian delegation to the United Nations an unexpected opportunity to declare in an address to the Political Commis-

sion of the General Assembly that Panama retains its sovereignty over the Canal Zone. More important, however, is the fact that the official listing of the zone by our Department of State as "occupied territory" played into the hands of the Communist revolutionaries whose ultimate aim since 1917 has been internationalization.

RADICAL DEMANDS ADVANCE COLOMBIAN OCCUPATION OR
INTERNATIONALIZATION

If there is any force whatsoever in the argument for Panamanian sovereignty over the Canal Zone, it must relate back to the parent country, Colombia, from which Panama seceded in the political developments preceding the actual building of the canal. It may be safely predicted that if the United States should ever be so unmindful and recreant of its solemn treaty obligations for the maintenance and operation of the canal for the entire world as to attempt to transfer the canal to Panama as a gift, Colombia will promptly follow such action with a reassertion of its complete sovereignty over the entire territory of Panama and claim the canal as its own. Nor should it be overlooked that Colombia has important treaty rights with respect to the Panama Canal and Railroad, as well as Panama.

As I have often stated and emphasized, Panama, in its ever-increasing effort to wrest control of the canal from the United States is not serving its own best interests, but on the contrary, strengthens Soviet policy and advances the movement for the internationalization of the canal. Even the advocates of these excessive Panamanian demands declare that it would be far better for Panama to deal with the United States as regards the operations of the canal than with an international organization. This undoubtedly is true.

It is strange indeed that, even though our Government during recent years has made many important concessions to the Panamanian demands, it has never required any compensating Panamanian concessions. On the other hand, Panama has accepted the great benefits as signals for making new and greater demands. The latest are listed in a resolution of the Panamanian Assembly on November 16, 1961, which is quoted in documentation appended to my address.

Certainly, Mr. Speaker, no revolutionary influence in our Government, determined on a piecemeal liquidation of our sovereign rights, power, and authority on the isthmus, could have done a better job than has been accomplished over a long period of years.

CHARLES EVANS HUGHES AND ISTHMIAN CANAL POLICY

In this general connection, Mr. Speaker, it is highly pertinent to consider what one of our country's ablest and most forthright Secretaries of State, Charles Evans Hughes, once stated.

In a conversation with the then Minister of Panama to the United States on December 15, 1923, in response to formal demands by Panama for increased sovereignty and increased sovereignty attributes over the Canal Zone, Mr. Hughes spoke with a refreshing degree of candor and vigor. He declared:

Our country would never recede from the position which it had taken in the note of Secretary Hay in 1904. This Government could not, and would not, enter

into any discussion affecting its full right to deal with the Canal Zone and to the entire exclusion of any sovereign rights or authority on the part of Panama (Foreign Relations, 1923, vol. III, p. 684.)

To this Secretary Hughes added:

It was an absolute futility for the Panamanian Government to expect any American administration, no matter what it was, any President or any Secretary of State, ever to surrender any part of these rights which the United States had acquired under the Treaty of 1903.

That is the type of statement that should be forthcoming from our statesmen today, especially from those in executive authority over the canal.

On another occasion, Mr. Speaker, when writing about the Monroe Doctrine, Mr. Hughes made this telling statement about Isthmian Canal policies:

The construction of the Panama Canal has not only established a new and convenient highway of commerce but has created new exigencies and new conditions of strategy and defense. It is part of American policy not to yield to any foreign power the control of the Panama Canal, or the approaches to it, or the obtaining of any position which would interfere with the right of protection on the part of the United States or would menace the freedom of its communications (Encyclopaedia Britannica, 1957, vol. 15, p. 738).

All the exigencies foreseen by former Secretary Hughes, in clear violation of the Monroe Doctrine and our solemn treaty obligations with respect to the canal, have now come to pass. The questions that now face us are what steps should be taken to protect our country against the loss of its undoubted rights in the Caribbean and against the chaos that will inevitably follow if the United States ever abandons its operation and control of the Panama Canal.

JOHN F. STEVENS ALERTED US TO MARXIST DANGERS

At this point, Mr. Speaker, it is appropriate to examine some important historical antecedents of the world crisis, which show that current problems are not new, but old.

It was John F. Stevens, famed basic architect of the Panama Canal, who, while serving as head of our railroad missions in Russia and Siberia, 1917-23—Congressional Record, May 29, 1956, page 9285—had a unique opportunity to observe the early years of the Russian Bolshevik revolution. He was thus able, in his reports and during periodic visits to Washington, to alert important leaders in our country, among them Ira E. Bennett, great editor of the Washington Post, to its internationally organized conspiratorial nature and the dangers thereby involved.

Ideas about communistic subversion that Stevens started through Editor Bennett still reverberate.

KARL MARX FORESAW SOVIET IMPERIALISM

Before Stevens there was Karl Marx, who, from 1853 to 1856, was European correspondent of the New York Daily Tribune. Among his perceptive writings are found these startling statements:

Russian imperialism * * * is not a movement that strives for national independence, but a movement which, directed against Europe, would destroy all

cultural values that history has created through thousands of years. This could not be achieved without eradicating Austria, Hungary, Turkey, and a major part of Germany from the [political] map.

There is only one way of dealing with absolute power like Russia and that is by absolute fearlessness.

These telling words give the key to withstand aggressiveness: absolute fearlessness must confront absolute power.

COMMODORE PERRY FORESAW EAST-WEST CONFLICT

Mr. Speaker, by far the most revealing of all the prophetic statements on the question of East-West conflict is that of Commodore Matthew C. Perry, after return from his famous voyage to Japan.

Speaking before the American Geographical and Statistical Society on March 6, 1856, he expressed views that should ring through the centuries and I quote:

It requires no sage to predict events so strongly foreshadowed to us all; still "westward" will "the course of empire take its way." But the last act of the drama is yet to be unfolded; and notwithstanding the reasoning of political empirics, westward, northward, and southward, to me it seems that the people of America will, in some form or other, extend their dominion and their power, until they shall have brought within their mighty embrace multitudes of the islands of the great Pacific, and placed the Saxon race upon the eastern shores of Asia. And I think too, that eastward and southward will her great rival in future aggrandizement (Russia) stretch forth her power to the coasts of China and Siam; and thus the Saxon and the Cossack will meet once more, in strife or in friendship, or another field. Will it be in friendship? I fear not. The antagonistic exponents of freedom and absolutism must thus meet at last, and then will be fought that mighty battle on which the world will look with breathless interest; for on its issue will depend the freedom or the slavery of the world—despotism or rational liberty must be the fate of civilized man. I think I see in the distance the giants that are growing up for that fierce and final encounter; in the progress of events that battle must sooner or later inevitably be fought.

These words, Mr. Speaker, so meaningful today, were uttered more than a century ago. Surely no one who has studied world history should be surprised at what has happened in eastern Asia, the Southwest Pacific, Africa, or in Cuba.

The last, being closest to our shores and located near one of the historic invasion routes of North America, the valley of the Mississippi, and in a position to menace the communications of the Panama Canal, is of prime importance.

The domination of Cuba by a fanatical Communist power is a clear violation of the Monroe Doctrine and cannot be safely ignored or tolerated. Cuba can serve not only as a base from which to launch atomic missiles against vital points in the continental United States, but also as a beachhead from which to conduct further conquests through subversion. Such conquests would occur first in remaining Caribbean countries and later throughout Latin lands.

In this connection, Mr. Speaker, it should ever be borne in mind that Premier Khrushchev declared with exultation that the Monroe Doctrine is dead. The failure to make an adequate reaffirmation of this historic policy and the succession of recent Communist victories in the Caribbean can only mean that the transcendent issue on our fourth front has become the Monroe Doctrine versus the Khrushchev doctrine.

SUBVERSIVE PERSONNEL MUST BE REMOVED

What are the explanations for the collapse of our Caribbean policies? Of course, they are many but basic to any sustained deterioration in policy matters there is always the question of the character of the personnel conducting these policies.

Clearly, Mr. Speaker, so long as men of this character are in positions of power or influence with respect to the conduct of our foreign policies, we may expect continued retrogression. The personnel situation presented is not one that can be corrected by a mere shifting of personnel or changing of official titles under procedures known as reorganizations. It is one that calls for the identification by investigating committees of the Congress, of the individuals in the Department of State, and the mass media who are responsible for our tragic failures in policy and their removal from positions of power.

Regardless of whether those responsible for these tragic failures in American foreign policy have been well meaning but stupid or definitely subversive, the results are the same and our Nation has suffered accordingly. Such individuals should be absolutely eliminated from any position of power in our Government and public opinion should prevent their employment in mass media operations.

PARALYSIS AND CONTRIVED CONFUSION MUST BE OVERCOME

In considering the ways to meet the challenge in the Caribbean, can we rely on the Organization of American States for remedial action? The answer is "No."

That agency, I regret to say, is nothing but an instrument for paralysis. Moreover, we should not delude our people by pretending to rely on an organization for the performance of tasks that we know are beyond its desires, intentions, or powers.

GUATEMALA OVERCOMES THREAT

Mr. Speaker, in viewing the problems now facing our country, it should be borne in mind that everywhere in Latin countries where, under a false notion of liberty, communism has been permitted to infiltrate, trained and disciplined Soviet agents have meddled in the affairs of those countries and plotted for the overthrow of all legally constituted authority.

In executing their designs for conquest, these agents have constantly resorted to bloody violences to attain their ends. The governments involved too often seem to have become unnerved and paralyzed when faced with the deadly peril.

A recent example of the Communist policy of violent overthrow of constitutional government was the effort on June 11, 1961, in Guatemala to drive the administration of President Miguel Ydigoras from power and to supplant it with one like that in Cuba, which is completely subservient to orders from its Kremlin overlords.

In contrast to what has taken place in some other Latin countries, the effective reaction of the Guatemalan Government to that threat was highly commendable and encouraging.

Mr. Speaker, I think that I voice the view of all patriotic Americans, North, Central, and South, when I publicly praise, on the floor of the House, President Ydigoras and his administration for their alertness to the danger and for their success in surmounting that threat. They contributed to the security of all the Americas.

OUR PEOPLE DEMAND ACTION

Subversive forces in Cuba are becoming consolidated in their beach-head and preparing for their next moves. The well-publicized moves of our Department of State in Dominican affairs and the Congo stand out in bold relief. What of Cuba, which is a storm center for American subversion? In this connection, the Organization of American States has been proved absolutely impotent.

Indeed it is fortunate that the people of our country are far ahead of our agencies of Government, both legislative and executive. They perceive the hazards and are demanding immediate remedial action. This I know, not only from observations and discussions during my travels, but also from numerous letters from thoughtful men and women in various parts of the Nation.

They are also demanding remedies in line with our historic policies and the inherent right of self-defense. They will not tolerate supplanting the Monroe Doctrine with the Khrushchev doctrine in any part of the Americas.

MONROE DOCTRINE MUST BE REAFFIRMED

World War II ended more than 15 years ago with the peoples of all lands, including the Soviet, yearning for a lasting peace. But instead of peace, the two strongest nations in the world today face each other in undisguised hostility. This makes it imperative that our country look first to its own vital interests, for it is the only hope of the free world to remain free.

In the first quarter of the 19th century, when our country was weak, it faced a crisis of the gravest character. Not only was the United States threatened by European imperialism from across the Atlantic, but also by Russian penetration from the Pacific Northwest, which had reached as far south as Fort Ross, just north of San Francisco.

American statesmen rose to the occasion and, on December 2, 1823, President Monroe, in a message to the Congress, issued a diplomatic warning to all nations that our country would resist any further conquests in the Western Hemisphere. Monroe did not wait until strategic spots in the Caribbean had been occupied, but, by a forthright declaration, made our position unmistakably and effectively clear. Such realistic treatment is sorely needed today.

To this end, I urge the Congress to take immediate steps to correct the dangerous legislative delinquencies which have diverted the conduct of our foreign policies from their destined course. In 1823 we were weak; today we are strong, but losing in relative strength. Why wait until the strength ratio is further reduced? Why wait for another Goa to demonstrate more dramatically the futility of relying for protection on nations which proclaim peace, but practice aggression, or on an international organization dominated by Soviet controlled vetoes or votes? We must act now.

FUNDAMENTAL QUESTION IS SOVEREIGNTY

Mr. Speaker, underlying the Panama Canal sovereignty question is a fundamental principle. Our country is in the Canal Zone properly and lawfully, as of right, fully and explicitly defined in basic treaty agreements between two sovereign states, or else it is occupying territory to which it has no flawless title, territory upon which its armed forces and civil employees have been squatting since 1904, territory for which it pays a mere rental, so that it might be permitted to maintain, operate, and protect the interoceanic waterway.

If time permitted going into the early history of the negotiations which led to the acquisition of the Canal Zone, it could be shown that the United States could have rented the required strip across the Isthmus from Colombia for construction of the Canal, if mere leasing of the territory from another sovereign state was what our Government had intended nearly 60 years ago.

It cannot be too strongly emphasized, Mr. Speaker, that the idea of sovereign jurisdiction over the Canal Zone, subject to no limitation in time or substance, was the prime objective of our Government.

The reason for this is the basic fact that the United States could not afford, and was therefore, unwilling to undertake the great obligation to build the Panama Canal at the expense of the American taxpayers and to maintain and operate it in a land of endemic revolution and political instability except on the basis of exclusive sovereignty in perpetuity. This consideration was fully recognized by both Panama and the United States in the formulation of the 1903 treaty and any other judgment is absolutely naive except to the extent that it may be influenced by communistic revolutionary forces.

Our obligations to the other countries involved and with which we had to deal in regard to the canal enterprise require that our country have untrammelled sovereignty and authority. A divided sovereignty would make fulfillment of our treaty obligations to operate the canal for world shipping on terms of equality utterly impossible. Our country is not a mere tenant on the isthmus nor a squatter, but a grantee of sovereignty in perpetuity for the perpetual maintenance, operation, and protection of the Panama Canal.

CANAL ZONE: TARGET OF REVOLUTIONARY AGGRESSION

In the perspective that is now possible, the argument of Alger Hiss that under article 73 of the United Nations Charter, the United States should file administrative reports with the Secretary General of that organization, because the Canal Zone is an "occupied area," was a monstrous aggression of communistic revolutionary conspiracy upon our valid and unblemished title to that part of the constitutionally acquired domain of the United States.

As was clearly foreseen by competent students, for more than 15 years our Nation and its Government have been harassed by those who aim to make the flag of the United States a symbol of imperialistic exploitation. Some of them, unfortunately, enjoy the status and heritage of citizenship in our republic.

At this point, Mr. Speaker, many have wondered whether the 1960 Executive order to hoist the Panama flag over the Canal Zone was

a cleverly planned move to validate the 1946 declaration by Alger Hiss of the zone as "occupied territory." To this question the only answer is that, regardless of the intent of its signer, the result was to that effect, and our sovereign status has been clouded.

At last, Mr. Speaker, the time has come for our country, to settle once and for all how it intends that its tenure in the Canal Zone is to be regarded by our own people, by Panama, by our other American republics, and by the world at large, including the Soviet Empire and its satellites. No bland generalities will suffice: a categorical and unequivocal reaffirmation that our exclusive sovereign rights, power, and authority over the Canal Zone and Panama Canal are not open to challenge, and nothing less, must be proclaimed. For the Congress to fail in this would be tantamount to adopting the Khrushchev doctrine by default.

PLAN FOR ACTION

Mr. Speaker, as previously stated to this body on many occasions, the conduct of our Caribbean and Isthmian policies over a long period of time has been indecisive and lacking in consistency. Our innate courtesy and self-restraint have been mistaken for weakness and the forces of subversion have been advanced into the vacuum created by our own fumbling.

To meet this situation where we face absolute power, we must show absolute fearlessness as the only way to meet this power.

Accordingly, I urge the following program:

First. Make definite and reaffirm the Monroe Doctrine as applying to intervention through infiltration and subversion;

Second. Make definite and reaffirm our historic policies for exclusive sovereign control in perpetuity over the Panama Canal and Canal Zone;

Third. Liberate the people of Cuba from alien dictatorship and assist them in the restoration of constitutional government through free elections;

Fourth. Reactivate the Special Service Squadron on a permanent basis to serve as a symbol of liberty.

Mr. Speaker, only by such a forthright line of action by our Government—prompt, courageous, and effective—can the sadly impaired prestige of our great country and its leadership be restored and the cause of Western freedom be strengthened.

To these ends, I would appeal to the President of the United States when dealing with hemispheric crises to act in the spirit of Cleveland and Theodore Roosevelt, when they were faced with foreign attempts to destroy the authority and integrity of our Latin neighbors in disregard of the Monroe Doctrine.

A decision thus to act may be difficult to make; but it must be made if the cause of Western civilization is to be sustained. In no finer way can our President in his own right establish a profile of courage.

As partial documentation for this address and commended for study, resolutions on these matters previously introduced by me follow; also the recent exchange of letters between the Presidents of Panama and the United States with attendant publicity from the Isthmian press, which lists Panamanian aspirations:

HOUSE CONCURRENT RESOLUTION 225

(In the House of Representatives, 87th Cong., 1st sess., April 26, 1961)

Whereas the subversive forces known as international communism, operating secretly and openly, directly and indirectly, threaten the sovereignty and political independence of all the Western Hemisphere nations; and

Whereas the American continents, by the free and independent position which they have assumed and maintained, are not subject to colonization or domination by any power; and

Whereas the intervention of international communism, directly or indirectly, or however disguised, in any American state, conflicts with the established policy of the American Republics for the protection of the sovereignty of the peoples of such states and the political independence of their governments; and

Whereas such a situation extended to any portions of the Western Hemisphere is dangerous to the peace and safety of the whole of it, including the United States: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring),

(1) That any such subversive domination or threat of it violates the principles of the Monroe Doctrine, and of collective security as set forth in the acts and resolutions heretofore adopted by the American Republics; and

(2) That in any such situation any one or more of the high contracting parties to the Inter-American Treaty of Reciprocal Assistance may, in the exercise of individual or collective self-defense, and in accordance with the declarations and principles above stated, take steps to forestall or combat intervention, domination, control, and colonization in whatever form, by the subversive forces known as international communism and its agencies in the Western Hemisphere.

HOUSE CONCURRENT RESOLUTION 33

(In the House of Representatives, 86th Cong., 1st sess., January 9, 1959)

Whereas there is now being strongly urged in certain quarters of the world the surrender, by the United States, without reimbursement, of the Panama Canal, to the United Nations or to some other international organization for the ownership and operation of the canal: and

Whereas the United States, at the expense of its taxpayers and under, and fully relying on, treaty agreements, constructed the canal, and since its completion, at large expenditure, has maintained and operated it and provided for its protection and defense: and

Whereas the United States, following the construction of the canal, has since maintained, operated, and protected it in strict conformity with treaty requirements and agreements, and has thus made it free, without restriction or qualification, for the shipping of the entire world: and, in consequence of which, with respect to the canal and the

Canal Zone, every just and equitable consideration favors the continuance of the United States in the exercise of all the rights and authority by treaty provided, and in the discharge of the duties by treaty imposed: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (1) it is the sense and judgment of the Congress that the United States should not, in any wise, surrender to any other government or authority its jurisdiction over, and control of, the Canal Zone, and its ownership, control, management, maintenance, operation, and protection of the Panama Canal, in accordance with existing treaty provisions; and that (2) it is to the best interests—not only of the United States, but, as well, of all nations and peoples—that all the powers, duties, authority, and obligations of the United States in the premises be continued in accordance with existing treaty provisions.

HOUSE CONCURRENT RESOLUTION 450

(In the House of Representatives, 86th Cong., January 11, 1960)

Whereas the United States, under the Hay-Bunau Varilla Treaty of 1903 with Panama, acquired complete and exclusive sovereignty over the Canal Zone in perpetuity for construction of the Panama Canal and its perpetual maintenance, operation, sanitation, and protection; and

Whereas all jurisdiction of the Republic of Panama over the Canal Zone ceased on exchange of ratifications of the 1903 treaty on February 26, 1904; and

Whereas since that time the United States has continuously exercised exclusive sovereignty and control over the Canal Zone and Panama Canal; and

Whereas where responsibility is imposed there must be given for its effectuation adequate authority; and with respect to the Panama Canal the treaty of 1903 so provided; and

Whereas the United States has fully and effectively discharged all its treaty obligations with respect to the Panama Canal and the only legitimate interest that Panama can have in the sovereignty of the Canal Zone is one of reversionary character that can never become operative unless the United States should abandon the canal enterprises; and

Whereas the policy of the United States since President Hayes' message to the Congress on March 8, 1880, has been for an interoceanic canal "under American control," that is to say, under the control of the United States; and

Whereas the grant by Panama to the United States of exclusive sovereignty over the Canal Zone for the aforesaid purposes was an absolute, indispensable condition precedent to the great task undertaken by the United States in the construction and perpetual maintenance, operation, sanitation, and protection of the Panama Canal, for the benefit of the entire world: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring). (1) That the United States, under treaty provisions, constitutionally acquired, and holds, in perpetuity, exclusive sovereignty and control

over the Canal Zone for the construction of the Panama Canal and its perpetual maintenance, operation, sanitation, and protection; and

(2) That there can be no just claim by the Republic of Panama for the exercise of any sovereignty of whatever character over the Canal Zone so long as the United States discharges its duties and obligations with respect to the Canal; and

(3) That the formal display of any official flag over the Canal Zone other than that of the United States is violative of law, treaty, international usage, and the historic canal policy of the United States as fully upheld by its highest courts and administrative officials; and would lead to confusion and chaos in the administration of the Panama Canal enterprise.

[From the Star & Herald, Panama, Republic of Panama, Nov. 16, 1961]

TEXTS OF LETTERS

CHIARI'S

PANAMA, September 8, 1961.

To His Excellency, JOHN F. KENNEDY,
President of the United States of America,
The White House, Washington, D.C.

YOUR EXCELLENCY: Relations between the Republic of Panama and the United States of America have been governed, basically, since 1903, by the Isthmian Canal Convention, signed in Washington on November 18 of that year, by the Secretary of State, Mr. John Hay, and the French citizen, Phillippe Bunau Varilla who was acting temporarily as Envoy Extraordinary and Minister Plenipotentiary of Panama.

The provisions of that convention have been, from the moment of its signature, and will continue to be, as long as they remain in force, a source of constant frictions, disagreements and conflicts between the two Government and between the Panamanian people and the North American population residing in the Canal Zone.

In 1936, thanks to the dedicated efforts of the then President of Panama, Dr. Harmodio Arias, and his advisers, Drs. Ricardo J. Alfaro and Narciso Garay and thanks also to the clear understanding, ample spirit of fairness and the great kindness of President Franklin D. Roosevelt, Panama succeeded in abolishing three rights which the 1903 convention granted to the Government of the United States, namely: (a) The right of intervention in the internal affairs of the Republic of Panama when in the judgment of the United States this became necessary to maintain order; (b) the right to occupy any Panamanian lands or waters which in the judgment of the United States were necessary for the construction, maintenance, operation, sanitation, and defense of the canal; (c) the right of "construction" of a canal through the Isthmus of Panama.

In 1936, and again in 1942 and 1955, Panama obtained other amendments as to detail in the interpretation and implementation of certain provisions of the 1903 convention.

But there still remain in full force the provisions of that convention which in practice have had and still have the effect of having

divided the Republic of Panama in two parts separated by the inter-polation, between them, of a zone in which the Government of the United States considers that it has the right of exercising full sovereign authority and jurisdiction, notwithstanding that all of the rights which were granted it by Panama are limited to the purposes, expressly agreed upon, of the "maintenance, operation, sanitation, and defense of the canal."

The real cause of all the vices and errors of the 1903 convention lies in that such convention was never negotiated. When immediately following the proclamation of Panama's independence, the Panamanian representatives who were sent to negotiate the treaty arrived in Washington they faced the tragic surprise that on the previous day, just as they landed in the port of New York Secretary of State John Hay and the Frenchman Bunau Varilla had hurriedly signed the Isthmian Canal Convention, with no previous negotiation, but after a quick confabulation between them both, handing over the new Republic of Panama, bound hand and feet, to the mercy of the Government of the United States, in perpetuity, as if there could be perpetual human things.

For these reasons, the isthmian convention of 1903 carries within it the causes of its own extinction.

It is not necessary for me to go into details on the manner in which that wholly unfair convention was drafted and signed, because the turn of this century saw the peak of the colonialist expansion of strong states to the detriment of nations rendered weak by the ignorance and submission of the popular masses. At that time, no voice was raised in support of countries subjected by brute force or by unsurmountable causes to the domination of a powerful state.

After half a century and two world wars, the panorama is wholly different: Colonies are on their way out, respect for the personality of each state is now an axiom in international law, the principle of nonintervention in the internal affairs of another state has victoriously surged forward, and the structure of the world organization of nations is showing ever more effectively, the influence of united small nations on international problems and conflicts.

There is no place in the mentality of man in this second half of the 20th century for the proposition that a state, no matter how strong, can exert sovereign rights over any part of the territory of another state, no matter how small or weak.

This does not mean, however, that two sovereign and independent states having common interests cannot reach understandings which, without being detrimental to the sovereignty and the dignity of either one, enable both to defend and protect their fair interest and rights without disregarding or damaging the fair interests and rights of the other.

It was for these reasons that, in the face of the indissoluble community of interests between Panama and the United States; in the face of the increasingly urgent need for establishing and maintaining reciprocal relations on a basis of sincere friendship, mutual respect, and well-reciprocated consideration; and in the face of the permanent source of discord which is the 1903 convention, that I took the liberty of forwarding to you, through your personal representative at the

Conference of Foreign Ministers and Economy held in Tegucigalpa in July of this year, my personal message suggesting how convenient and necessary it is for Panama and the United States to converse without prejudice, without resentment, setting aside past problems and offenses, as nations sincerely friendly and sincerely determined to search for fair solutions, to analyze and discuss their present-day relations in the light of the doctrines which now govern the world, with a view to attaining permanent understandings, on just bases, which will assure to each party the attainment and enjoyment of what in justice and fairness is due each one, without a prior agenda, so that each may openly place the cards it wants on the table.

I have the deep personal conviction that if Panama and the United States were to cast aside the interminable and up to now almost fruitless discussions on what should be the correct interpretation of existing treaties, and disposed themselves to undertake the analysis of existing relations between both with a realistic approach and in the light of the principles and norms of international law, already universally recognized, they will find adequate formulas to resolve, once and for all time, a stable and lasting association which will enable them to carry out harmoniously the common destiny set out for them by the Panama Canal. The bias—whether justified or unjustified—that such results are either difficult or impossible of attainment, should not be an obstacle for the attempt.

The Alliance for Progress you have so wisely proposed, which was set in motion in Montevideo with the cooperation of all the American nations, could find no better realization in the relations between Panama and the United States through a formula that will place these relations on a level of clear and just understandings permitting Panama a fuller use of its economic potential, without diminishing the consideration that is due to the interests of the United States by reason of the canal enterprise made possible by both countries and in whose operation both have a common interest.

It is a source of real pleasure for me to reiterate on this occasion the sentiments of my highest consideration and great appreciation.

ROBERTO F. CHIARI,

President of the Republic of Panama.

KENNEDY'S

THE WHITE HOUSE,

November 2, 1961.

DEAR MR. PRESIDENT: I have read with great interest your letter of September 8, 1961, which your brother delivered to me on September 15. I am also very pleased to have had a personal conversation with your brother at that time.

I agree with you that an unusual community of interests exists between the Republic of Panama and the United States. Our respective governments and peoples have been closely associated since the very beginning of your nation. The Panama Canal has been an important element in the development and growth of the relationship between our two countries, and has also contributed to the bonds of unity which link all the American Republics.

The Government of the United States hopes to maintain and strengthen the relations between our two nations on the basis of mutual respect and sincere friendship. I feel sure that the Government of Panama shares this objective.

Once again on behalf of the Government of the United States, I reaffirm our willingness to cooperate wholeheartedly with the Government of Panama to insure the full enjoyment of the various benefits which the canal should afford to the two nations that made possible its construction. We also wish to make these benefits available to all nations interested in international trade.

As I pointed out to your brother on September 15, I realize that the historic friendship and cooperation between our two countries has sometimes been marred by differences concerning the interpretation of the rights granted to the United States by the Republic of Panama. In past years these problems have been resolved in various ways—sometimes through formal treaty negotiations and sometimes through friendly discussions and the subsequent implementation of specific measures agreed upon by representatives of the two Governments.

My Government recognizes that difference will inevitably arise between even the friendliest nations, and believes that these differences must be discussed thoroughly and frankly, in order to clarify the interests and attitudes of both parties. It seems clear therefore, that when two friendly nations are bound by treaty provisions which are not fully satisfactory to one of the parties, arrangements should be made to permit qualified representatives of both nations to discuss these points of dissatisfaction with a view to their resolution.

I have instructed the various responsible departments and agencies of the U.S. Government to make a complete reexamination of our current and future needs with respect to Isthmian Canal facilities. I expect this study to be completed within a very few months, at which time my Government will communicate promptly with the Government of Panama. I am confident that representatives of our two Governments, after a frank exchange of views and a careful assessment of our mutual needs and interests, can reach fruitful conclusions which will promote the mutual welfare of both countries.

With cordial good wishes,

Sincerely,

JOHN F. KENNEDY.

[From the Panama (Republic of Panama) Star & Herald, Nov. 16, 1961]

KENNEDY AGREES ON NEED FOR RP TALKS—NEGOTIATIONS APPEAR ASSURED DURING 1962

President John F. Kennedy has agreed with President Roberto F. Chiari that differences between their two nations must be discussed thoroughly and frankly. In a reply to the Panamanian Chief Executive, Kennedy announced he has called for a complete reexamination of U.S. current and future needs with respect to Isthmian Canal facilities prior to entering into negotiations with Panama:

I expect this study to be completed within a very few months, at which time my Government will communicate promptly with the Government of Panama—

Kennedy wrote Chiari:

I am confident that representatives of our two Governments after a frank exchange of views and a careful assessment of our mutual needs and interests, can reach fruitful conclusions which will promote the mutual welfare of both countries.

Thus, new negotiations over U.S. rights in the Canal Zone and Panamanian benefits from the Isthmian Waterway appeared assured for 1962.

President Kennedy answered the Panamanian President's letter of September 8, calling, in effect, for negotiations from scratch.

I have the deep personal conviction—

Chiari had written Kennedy—

that if Panama and the United States were to cast aside the interminable and up-to-now almost fruitless discussions on what should be the correct interpretation of existing treaties, and disposed themselves to undertake the analysis of existing relations between both with a realistic approach and in the light of the principles and norms of international law, already universally recognized, they will find adequate formulate to resolve, once and for all for all time, a stable and lasting association which will enable them to carry out harmoniously the common destiny set out for them by the Panama Canal.

And he added:

The bias—whether justified or unjustified—that such results are either difficult or impossible of attainment, should not be an obstacle for the attempt.

Chiari's letter was hand delivered to President Kennedy at the White House on September 15 by his brother, Richardo Chiari. Kennedy's letter was hand delivered to President Chiari at the Presidencia by Philip Clock, Acting Chargé d'Affaires of the United States in Panama, Tuesday afternoon.

Announcement of the text of the Presidential correspondence was made simultaneously yesterday afternoon in Washington and Panama City.

Press Secretary Fabian Velarde, Jr., distributed copies of both letters to newsmen at 4:30 p.m., at the Presidencia. In answer to a question, he said President Chiari is pleased by the answer he has received from President Kennedy. He declared that Panama most likely will continue the appraisal of its position during the time that the United States takes for the study of its current and future canal needs.

Velarde also said that the Panama Government will appoint its negotiators soon and they will work closely with the National Council of Foreign Relations in the presentation of Panama's claims.

When a newsman raised the point that the time mentioned in President Kennedy's letter for the U.S. study of its canal needs might be 1 or 2 years, Velarde pointed to the phrase "within a very few months" and added that while every one was entitled to his own interpretation, he thought this means less than 6 months.

Chiari's letter revealed that the Panamanian President made his first approach to Kennedy on the subject of new negotiations as far back as July. At that time an emissary of President Chiari met with the personal representative of President Kennedy at a meeting of Central American Foreign Ministers held in Tegucigalpa, Honduras. This was followed by the September letter.

The Panamanian Chief Executive made one major point in his personal letter to Kennedy—"that the 1903 treaty, which has governed basically relations between the two countries since Panama became independent was not negotiated by Panamanian representatives, but was hurriedly signed by a quick confabulation" between the Secretary of State of the United States, John Hay, and Philippe Bunau-Varilla, a Frenchman temporarily acting as Panama's envoy. Chiari pointed out that this was done at the "peak of the colonialist expansion of strong states."

But times have changed, Chiari said, in effect.

"After a half century and two world wars," he wrote President Kennedy—

the panorama is wholly different: Colonies are on their way out, respect for the personality of each state is now an axiom in international law; the principle of nonintervention in the internal affairs of another state has victoriously surged forward, and the structure of the world organization of nations is showing, ever more effectively, the influence of united small nations on international problems and conflicts.

And with a pointed reference to the key question between Panama and the United States—sovereignty over the Canal Zone—the President of Panama added:

There's no place in the mentality of man in this second half of the 20th century for the proposition that a state, no matter how strong, can exert sovereign rights over any part of the territory of another state, no matter how small or weak.

But, he went on, there is nothing to prevent two sovereign and independent states from reaching understandings providing acceptable arrangements for the fair interests and rights of each.

President Kennedy's letter matched the cordial tone of President Chiari's approach.

"Once again," Kennedy wrote—

on behalf of the Government of the United States, I reaffirm our willingness to cooperate wholeheartedly with the Government of Panama to insure the full enjoyment of the various benefits which the canal should afford to the two nations that made possible its construction. We also wish to make these benefits available to all nations interested in international trade.

He added:

My Government recognizes that differences will inevitably arise between even the friendliest nations and believes that these differences must be discussed thoroughly and frankly in order to clarify the interests and attitudes of both parties. It seems clear, therefore, that when two friendly nations are bound by treaty provisions which are not fully satisfactory to one of the parties, arrangements should be made to permit qualified representatives of both nations to discuss these points of dissatisfaction with a view to their resolution.

There has been no official announcement by Panama on what specific issues it proposes to raise when normal negotiations are undertaken. But an official listing of unfulfilled Panamanian demands in previous negotiations carried in the Foreign Office's 1961 report to the National Assembly included these major points:

1. The display of the Panamanian flag in the Canal Zone.
2. Implementation of the principle of equality of wages, of treatment, and of opportunity for employment among Panamanian and North American citizens in the Canal Zone.

3. Increase of the canal annuity to 20 percent of the gross revenue with a guaranteed minimum of \$5 million. The present annuity is \$1,930,000.
4. Cessation of grant in perpetuity.
5. Mixed courts in the Canal Zone.

[From the Panama (Republic of Panama) Star & Herald, Nov. 17, 1961]

REPUBLIC OF PANAMA ASSEMBLY CALLS FOR BRAND NEW TREATY—DEPUTIES FAVOR SCRAPPING OF PREVIOUS PACTS—RESOLUTION, APPROVED UNANIMOUSLY, ADVOCATES TREATY REAFFIRMING REPUBLIC OF PANAMA SOVEREIGNTY IN ZONE

The Panama National Assembly went on record yesterday for the scrapping of all previous treaties with the United States and for a new treaty reaffirming Panamanian sovereignty in the Canal Zone.

The resolution, introduced by nationalist leader, Aquilino Boyd, in behalf of himself and 11 other assembly deputies, was approved unanimously after a brief discussion.

In addition to the sovereignty demand, the Assembly listed 13 other points as minimum aspirations of the Panamanian people. These points are almost identical to the list of Panamanian demands not met by the United States in previous negotiations, issued earlier this month by the Foreign Office.

The Assembly acted within 24 hours of the release of the text of the correspondence between Presidents Roberto Chiari and John F. Kennedy on the subject of new treaty negotiations. President Chiari, in a letter dated September 8, told President Kennedy that the two countries should make another attempt at resolving their longstanding differences, starting this time from scratch. President Kennedy, in a letter dated November 2, agreed that such differences must be discussed thoroughly and frankly, and indicated that the United States will be ready to enter into talks in 1962 after a reexamination of its current and future needs with respect to Isthmian Canal facilities.

The Assembly said yesterday that Kennedy's letter—

evidences the good will of his Government to arrive at satisfactory agreements on the questions deriving from the Inter-oceanic Canal embedded in our territory.

The resolution also pointed out: That the 1903, 1936, and 1955 treaties have not succeeded in "cementing the relations between the two countries in a satisfactory manner."

That the 1903 treaty is manifestly unfair and that the grant is made to the United States in perpetuity is not in keeping with the principles of international law.

That Panama is not deriving fair benefits from the Panama Canal.

The resolution provides as follows:

Be it resolved—

1. That (the assembly) express its most fervent desire that the 1903 Treaty on the Inter-oceanic Canal and the treaties subsequently entered into in 1936 and 1955 be totally replaced and that a new treaty be drawn up which will reaffirm Panamanian sovereignty in the Canal Zone and satisfy the minimum aspirations of the Panamanian people.

2. That the following are recognized as the minimum aspirations of the Panamanian people:

(a) Elimination of the in-perpetuity clause and reversion to Panama of the Canal installations on a fixed term.

(b) Fair sharing of the Canal revenues (The Foreign Office had listed increasing the Canal annuity from the present \$1,930,000 to 20 percent of the gross revenue, with a guaranteed minimum of \$5 million).

(c) Establishment of mixed courts and revision of the present legislation in the Canal Zone.

(d) Recognition of Spanish as an official language in the Canal Zone.

(e) Cooperation by Canal Zone authorities to enforce Panamanian laws in the Canal Zone.

(f) Establishment of Panamanian jurisdiction over the ports of Balboa and Cristobal.

(g) Raising of the Panamanian flag on all public buildings and on all ships transiting the Canal.

(h) Use of Panamanian postage stamps in the Canal Zone.

(i) Elimination of the issuance of exequaturs (written official recognition) the Canal Zone to foreign consuls.

(j) Effective equality of opportunity and treatment for Panamanian and North American workers in the Canal Zone.

(k) Inclusion of a clause on arbitration as the means of resolving controversies. (The Foreign Office has listed acceptance of the mandatory jurisdiction of the World Court over controversies between the two countries.)

(l) Cooperation by the U.S. Government for the defense of the Panamanian civil population against possible nuclear attacks.

(m) Regulation of commercial activities in the Canal Zone through a Treaty of Commerce, bearing in mind at all times the objective of ensuring for Panama the full enjoyment of all types of benefits deriving from the operation of the Canal.

Cosignators of the resolution with Boyd were Deputies Azael Vargas, Thelma King, José Agustín Arango, Enrique Jiménez, Jr., Jacinto López y León, Jorge Fernández, Sidney Wise Arias, Rafael Grajales, Juan B. Arias, Raúl Arango, Jr., and Demetrio Oecerega.

INTERLOCKING SUBVERSION IN GOVERNMENT DEPARTMENTS

U.S. SENATE, SUBCOMMITTEE TO INVESTIGATE THE ADMINISTRATION OF THE INTERNAL SECURITY ACT AND OTHER INTERNAL SECURITY LAWS, OF THE COMMITTEE ON THE JUDICIARY

Washington, D.C., March 25, 1954.

The subcommittee met at 10 a.m., pursuant to call, in room 324, Senate Office Building, Senator William E. Jenner (chairman) presiding.

Present: Senators Jenner, Watkins, Welker, and Butler.

Also present: Charles P. Grimes, chief counsel; J. G. Sourwine, associate counsel; Benjamin Mandel, director of research; Dr. Edna R. Fluegel and Robert C. McManus, professional staff members.

The CHAIRMAN. The committee will come to order.

Let the record show this is a continuation of a hearing with Ambassador Braden that was started December 22, 1953, in New York, and I will ask Mr. Grimes to connect the two and to clarify the record.

Mr. GRIMES. Thank you. I think that would make a more orderly record.

There will be some repetition, but simply by way of amplification.

The CHAIRMAN. Mr. Witness, do you swear the testimony you will give will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BRADEN. So help me God, I do.

TESTIMONY OF SPRUILLE BRADEN, NEW YORK, N.Y.

The CHAIRMAN. State your full name.

Mr. BRADEN. Spruille Braden, and I live in New York, 320 East 72d Street.

The CHAIRMAN. What is your business or profession?

Mr. BRADEN. Presently as a consultant to various firms mostly on foreign investments and particularly in Latin America.

The CHAIRMAN. When were you with the Government of the United States?

Mr. BRADEN. I was with the Government of the United States more or less continuously—there were in the first couple of years a few intermissions—from the end of 1933 until June 28, 1947.

The CHAIRMAN. In what capacities did you serve?

Mr. BRADEN. I began first as a delegate in charge of all the economic and financial discussions at the Seventh International Conference.

* * * * *

Mr. BRADEN. Yes. Going back to 1941, when I was in Colombia, I began sounding warnings to the State Department about the menace of communism in this hemisphere and during the war—1943 and 1944—there were repeated dispatches in which I said that this is the gravest peril we face and that after the war it is going to be most serious.

The CHAIRMAN. That was in your written reports?

Mr. BRADEN. Written reports and telegrams, all kinds of things.

Mr. GRIMES. What was the Russian Communist Party line at that time?

Mr. BRADEN. More or less simultaneously with that, we had the opening that fall of the first United Nations Assembly meeting in New York. They had a San Francisco meeting and a London meeting, but here the Assembly met in New York for the first time.

Mr. GRIMES. They were about to meet at the time this took place?

Mr. BRADEN. This all took place after V-J Day, August 6 or August 7.

Mr. GRIMES. The agitation began?

Mr. BRADEN. It began promptly and it grew rapidly in volume.

Mr. GRIMES. You knew this through reports that reached you?

Mr. BRADEN. I had all kinds of reports and telegrams, everything coming in from Panama. The Army had the same thing. The newspapers carried it.

Mr. GRIMES. But your knowledge is based on the official reports made to you as Assistant Secretary of State in charge of Latin American affairs; is that correct?

Mr. BRADEN. Exactly.

Mr. GRIMES. That is the position you occupied, then?

Mr. BRADEN. That is the position.

Mr. GRIMES. Will you state, please, what the Russian Communist Party line was? I think I interrupted you.

Mr. BRADEN. I was going to say that for the first time the Russians at that time at that Assembly in New York, made the attack on us that we had aggressive intentions—that we were aggressive and the

proof of the aggressive intentions we had was our establishing bases all over the world.

Mr. GRIMES. Did they at that time mention Panama bases?

Mr. BRADEN. Subsequently during the discussions in the Assembly they did, not at the beginning, as I recall.

Mr. GRIMES. So they used the Panama bases as proof of our aggressive intentions?

Mr. BRADEN. Well, you say they used it. We gave them the ammunition.

Mr. GRIMES. Let's get to that later, but that was the party line?

Mr. BRADEN. Sure.

Mr. GRIMES. We were the aggressors. The proof is we have the bases, the military bases, all over the world, including Panama; is that right?

Mr. BRADEN. As I recall, the Russians made the point specifying Panama later.

The CHAIRMAN. They were not referring to the Canal Zone, they were referring to the Republic of Panama, 134 bases?

Mr. BRADEN. Yes, the 134 bases I am talking about. But the Canal Zone was brought in implicitly.

Mr. GRIMES. Did you have any experience in connection with the agitation in Panama and the Communist Party line with Alger Hiss?

Mr. BRADEN. Yes.

Mr. GRIMES. What was it?

Mr. BRADEN. There were two instances.

Mr. GRIMES. What was Hiss doing at that time?

Mr. BRADEN. Hiss was in charge of the Office of Special Political Affairs.

Mr. GRIMES. In the State Department?

Mr. BRADEN. In the State Department. That office today is headed by an Assistant Secretary of State. It is the Office for United Nations affairs. He was the head of that office, although he did not have the rank of Assistant Secretary of State.

The first thing that happened was that, in the routine performance of his duties, the Governor of the Canal Zone submitted his annual report.

Mr. GRIMES. To whom?

Mr. BRADEN. On the operations of the Canal Zone. I think that is submitted to the War Department. I am not sure of that, but in any case, it was published, as it usually is.

Mr. GRIMES. You say routine operations. Would you describe it, briefly, please?

Mr. BRADEN. I can't do a good job of describing it. I don't think I read it.

Mr. GRIMES. What sort of report was it?

Mr. BRADEN. How many boats are going through the canal in different directions, the tonnage, et cetera; what were the operations of the stores in the canal, what was the labor operation, everything.

Mr. GRIMES. Population, matters of that sort?

Mr. BRADEN. I think population was probably in it. I don't recall.

Mr. GRIMES. This is a report by our Governor down there on operations in the Canal Zone and a report which he submits annually; is that correct?

Mr. BRADEN. Exactly.

Mr. GRIMES. He had been submitting it to the American Government; is that right?

Mr. BRADEN. Since 1903, I assume.

Mr. GRIMES. Go ahead, please. What happened in connection with that report?

Mr. BRADEN. My office, represented by Mr. Cochran, Mr. William Cochran, who was in charge of that whole area in the Caribbean, and Mr. Wise, who was on the Panama desk, became involved in an argument with the Office of Political Affairs, because the latter wished to submit this report by the Governor of the Canal Zone to the United Nations.

My officers immediately got in touch with the legal adviser's office where Miss Ann O'Neill, a very competent lawyer, and a very sturdy soul, I may say—I have a great admiration for her—supported the thesis of my officers that under no circumstances should this report of the Governor of the Canal Zone be submitted to the United Nations.

Finally, Mr. Hiss himself—

Mr. GRIMES. What was your reason for that?

Mr. BRADEN. I was going to say what Hiss' reason was first, because I think that makes it clearer.

Alger Hiss and his office claimed, under article 73(e) of the United Nations Charter, it was our obligation to submit that report. I don't know whether you would like to have article 73 reviewed now, or not.

The CHAIRMAN. Let it go into the record and become a part of the record, without reading.

(The material referred to was marked "Exhibit No. 357" and is as follows:)

EXHIBIT NO. 357—CHARTER OF THE UNITED NATIONS—CHAPTER XI, DECLARATION REGARDING NON-SELF-GOVERNING TERRITORIES

Article 73

Members of the United Nations which have or assume responsibilities for the administration of territories whose people have not yet attained a full measure of self-government recognize the principle that the interests of the inhabitants of these territories are paramount, and accept as a sacred trust the obligation to promote to the utmost, within the system of international peace and security established by the present Charter, the well-being of the inhabitants of these territories, and, to this end:

a. to ensure, with due respect for the culture of the peoples concerned, their political, economic, social, and educational advancement, their just treatment, and their protection against abuses;

b. to develop self-government, to take due account of the political aspirations of the peoples, and to assist them in the progressive development of their free political institutions, according to the particular circumstances of each territory and its peoples and their varying stages of advancement;

c. to further international peace and security;

d. to promote constructive measures of development, to encourage research, and to cooperate with one another and, when and where appropriate, with specialized international bodies with a view to the practical achievement of the social, economic, and scientific purposes set forth in this article; and

e. to transmit regularly to the Secretary General for information purposes, subject to such limitation as security and constitutional considerations may require, statistical and other information of a technical nature relating to economic, social, and educational conditions in the territories for which they are respectively responsible other than those territories to which chapters XII and XIII apply.

Mr. BRADEN. My officers maintained that was perfectly ridiculous: that article 73(e) anticipated self-government. That was the phraseology used in it.

The Canal Zone, so far as the Republic of Panama is concerned, is self-governing.

We had a special agreement as to the operation of the Canal Zone. There was no rhyme or reason, in my opinion, nor in the opinion of my officers, why that should be presented to the United Nations.

Moreover, we knew that if it were presented that it was just going to enrage the Panamanians. It was going to play into the hands of the Russians with their allegations about our bases scattered all over the world, and particularly in Panama.

It was going to alienate a lot of the other Latin Americans, who would say, "See what the United States is doing in the Canal Zone?"

It was a thoroughly bad move to make and particularly with the Assembly starting up in New York.

I knew that Mr. Alfaro, the former President of Panama, and Minister of Foreign Relations, a leading politician, already faced this terrific problem about the bases outside of the zone, and would be terrifically annoyed by this report being presented.

Mr. GRIMES. In addition, would it complicate our relations insofar as operation is concerned by giving the United Nations a voice?

Mr. BRADEN. It would complicate us with the Republic of Panama. It brought the United Nations into something where they had no right to be.

Mr. GRIMES. It might give them a claim to some stake in the operation of the Panama Canal?

Mr. BRADEN. Exactly.

Mr. GRIMES. Was that part of the argument?

Mr. BRADEN. Absolutely.

The CHAIRMAN. Senator Watkins.

Senator WATKINS. Is it not true we also made reports on Alaska?

Mr. BRADEN. That was not in my sphere, so I haven't any idea about that. I think we did. I don't know whether we did on Hawaii, or not, but I think we did, now that you mention it. But I wasn't concerned about that. I had enough troubles of my own with Panama.

Senator WATKINS. The reason I call your attention to it was the fact I entered a protest about reporting from Alaska.

Mr. BRADEN. I vaguely remember that was true.

Senator WELKER. Mr. Chairman, may I have a question?

The CHAIRMAN. Senator Welker.

Senator WELKER. Mr. Ambassador, you were fortified by your counsel's opinion and the opinion of yourself and others, that you were permitted not to submit this information as requested by Mr. Hiss under the limitation of security; is that correct? That is subsection (e) of article 73.

Mr. BRADEN. That I can't give you an opinion on as a lawyer. I know that the procedure was totally out of order. There was no justification for that; aside from all of the issues that counsel has brought up in regard to our relations.

Senator WELKER. Notwithstanding the fact that you did have the security defense in mind, it was still insisted by Mr. Hiss?

Mr. BRADEN. It was still insisted by Mr. Hiss that it had to be submitted to the United Nations.

Finally, Mr. Cochran and Mr. Murray Wise, my assistants on this matter, came to me and said, "You have got to enter the fight. We can't get any further on it."

At that point we got Mr. Hackworth, the legal adviser to the State Department, in on it.

My boys reported to me they were quite concerned. They feared Mr. Hackworth was veering over to the side of Alger Hiss, but I stormed around quite a bit on this problem and finally Mr. Hackworth would not give a decision.

At that point it was appealed to the Under Secretary of State.

The CHAIRMAN. Who was that?

Mr. BRADEN. Mr. Acheson.

I remember very vividly that I went in to see Mr. Acheson. I think Mr. Hiss had already been there for some time.

This was all 7 years ago, so my memory may be a bit off, but I think it is substantially accurate.

When I tried to state my case, Mr. Acheson, as a lawyer, agreed with Mr. Hiss, and I didn't even have a chance to state my case. I remember that I came out of that meeting boiling with rage at what happened.

Senator WELKER. Mr. Hiss was present there?

Mr. BRADEN. Oh, yes. The only thing we got out of Mr. Hiss' office was an expression which today I don't understand very clearly, and he said this—he put in a phrase that this was submitted to the United Nations, this report of the Governor, on a pragmatic basis for this year, for the year 1946. What that means, I don't know, but that was supposed to take care of our objections which needless to say, it did not.

As we predicted, the Panamanian Foreign Minister made a speech in the United Nations. I have a copy of this if you wish to have it in the record.

The CHAIRMAN. I think it should go into the record and become a part of the record.

(The material referred to was marked "Exhibit No. 358" and is as follows:)

EXHIBIT NO. 358—PANAMA CANAL ZONE IS NOT LEASED TERRITORY

(Dr. Ricardo J. Alfaro Explains Payment of \$430,000 Annuity by the U.S. Government)

(Speech by the president of the Panamanian delegation, Dr. Ricardo J. Alfaro, during the session of the Political Commission of the General Assembly of the United Nations on November 14, 1946, in respect to the international status of the Panama Canal Zone.)

The Panamanian Delegation has been informed that by virtue of a resolution adopted on February 9, 1946, by the United Nations Assembly, the United States has presented a report concerning the territories under its administration and has included the Panama Canal Zone among those about which it had to report to the general Secretariat, in accordance with article 73(e) of the United Nations charter.

* * * * *

Mr. GRIMES. Would you state what his points were?

Mr. BRADEN. The substance was that here we were talking about the canal as if we had it under lease, and we did not; that it was a special agreement beginning in 1903 between Panama and the United States:

that Panama had given the United States certain facilities and we had in turn made certain payments in regard to—I think it was \$10 million to Panama, plus an annual rental of \$250,000 a year.

Subsequently we went off gold, raised it to \$430,000 a year.

There were the various quid pro quo's back and forth that the submission of this to the United Nations was an outrage both to Panama and to the agreement.

Mr. GRIMES. In other words, it was none of the business of the United Nations that he came out very much on the side of the United States on this?

Mr. BRADEN. He came out very much on the side of my office, not of the United States, because we had submitted it.

Mr. GRIMES. That depends on what the U.S. interest is.

Mr. BRADEN. Of the true interest of the United States, yes.

Mr. GRIMES. The report was then submitted to the United Nations?

Mr. BRADEN. Yes.

Mr. GRIMES. Did another incident take place in regard to Panama?

Mr. BRADEN. Yes.

Mr. GRIMES. What was that?

Mr. BRADEN. At that time, and you have to get the picture of the United Nations, the Russians making their speeches about our being aggressors, the proof being the bases, the Panama bases, 134 outside of Panama Canal Zone, being brought in as proof positive of our aggressive intentions, and I desperately trying and praying that I would be able to keep the lid on everything until the Assembly was over in New York.

And that we could get Mr. Alfaro down to Washington, and quietly and calmly, in luncheons, and in our offices, work out an agreement with him about these 134 bases which the military informed me were vitally necessary for the security of the Panama Canal—therefore, of the United States.

You can, therefore, imagine my utter astonishment when one morning I picked up the Washington Post at my apartment and here on the front page was an announcement that we had reported to the United Nations on the Canal Zone as an occupied territory. When I read that, I realized that was really putting the fat in the fire in our relations with Panama in the substantiation of the Russian allegations and in our relations with all of the American Republics; it was such a nasty situation.

Mr. GRIMES. In other words, our State Department had officially reported it to the U.N., that Panama was one of our occupied territories?

Mr. BRADEN. Yes. The only thing, my memory is a little hazy on whether that came along at about the same time as the submission of the report by the Governor, or whether it came subsequently, but my best recollection is it came subsequently.

Mr. GRIMES. This was a matter under your jurisdiction as Assistant Secretary of State for Latin American Affairs?

Mr. BRADEN. Exactly.

Mr. GRIMES. You learned about it for the first time in the newspapers?

Mr. BRADEN. I learned about it for the first time in the newspapers.

Mr. GRIMES. What did you do?

Mr. BRADEN. I dropped the newspaper, and I tore down to the State Department. I called in the Director of the Office of American Republics Affairs, Mr. Briggs, who presently is our American Ambassador in Korea; and my first special assistant, Mr. Wright; and Mr. Murray Wise was then called in as the officer on the Panamanian desk.

I may say I was using some pretty strong language around the place at this outrage. None of them knew any more about it than I.

They also had read it in the newspapers.

We then tried to run it down, and we found that this report had been submitted and the employment of the words "occupied territory" by the Office of Special Political Affairs, that is to say, Mr. Alger Hiss.

[From the Congressional Record, 87th Cong., 2d sess. June 7, 1962]

ISTHMIAN CANAL POLICY—AN EVALUATION

Mr. FLOOD. Mr. Speaker, over a period of many years, I have devoted much time and effort to the study of interoceanic canal problems. My inquiries have included the study of many sources, both official and unofficial. Among the former, are the 1947 report of the Governor of the Panama Canal under Public Law 280, 79th Congress, and the June 1, 1960, report to the House of Representatives by the Board of Consultants, Isthmian Canal Studies—House Report No. 1960, 86th Congress.

The 1947 report, prepared during the hysteria over the advent of the atomic bomb, was directed toward securing authorization of a vast sea-level undertaking at Panama, because of its alleged greater "security" from attack. Subsequent clarifications of the assumptions upon which the "security" hypothesis were based and the advent of the H-bomb have, in the opinion of many competent experts, revealed the underlying fallacies in the "security" thesis for planning navigational projects.

The June 1, 1960, report is significant as being the first one of engineering character to challenge the security justification for a new canal of sea level design, the first to relate the large fixed charges involved in the construction of such type to the costs of operations, and the first to express doubt as to the ability to construct such type without serious danger of long interruption to traffic.

Neither of these reports present the diplomatic costs that would be involved in the sea level project in the form of a huge indemnity and greatly increased annuity that would most definitely be demanded by Panama for a new treaty to cover the specific conditions for its construction. This aspect, Mr. Speaker, is a paramount consideration that cannot be ignored; and I altogether fail to understand why this most vital feature has been ignored.

Of all the papers that I have read, the most comprehensive, logical and historically based, is one on Isthmian Canal policy, prepared on request of the Board of Control of the U.S. Naval Institute and published in the March 1955 issue of its proceedings. With only minor revision, this paper is as applicable today as when it was published.

The arguments therein set forth for the major operational improvement and increased capacity of the existing Panama Canal, according to the Terminal Lake-third locks plan, are irrefutable. The time has come when decision should be made without further delay, unless we propose to surrender the canal, which the people of our Nation will never approve.

In order that this incisive evaluation of Isthmian Canal policy may be readily available to all agencies of the executive branch, navigation

and economic interests, at home and abroad, and the Congress, I quote the article with a biographical sketch of its author, and commend it for careful study by every Member of the Congress, and the staffs of congressional committees charged with responsibilities over inter-oceanic canal questions:

ISTHMIAN CANAL POLICY—AN EVALUATION

(By Capt. Miles P. DuVal, U.S. Navy (Retired))¹

ISTHMIAN CANAL POLICY ROOTED IN HISTORY

The Panama Canal, opened to traffic on August 15, 1914, is an inter-oceanic public utility for the transit of vessels of commerce and war of all nations on terms of equality as provided by treaty. The history of this undertaking is epic.

The idea of its construction traces back more than four centuries. The development of it includes extensive explorations, grave crises, and weighty decisions. Out of these the Isthmian Canal policy of the United States gradually evolved. Yet, despite the vast literature on the canal question, nowhere are the principles of this policy comprehensively stated in one place, and they are not adequately understood. For these reasons a knowledge of key episodes of this important historical subject is essential.

The advantageous geographical position of the American Isthmus was recognized by the early Spanish who, within an incredibly short time after their arrival in 1502, explored its regions and reduced their fields of investigation to four main areas: Tehuantepec, Nicaragua, Panama, and Darien-Atrato.

Because of the lower continental divides at Panama and Nicaragua and penetration of the jungles there by river valleys, these two avenues quickly became the great rivals for trans-Isthmian commerce. They are still potential rivals.

At Panama, mountainous terrain and torrential rivers, notably the Chagres, at first represented insuperable barriers to the construction of a canal. At Nicaragua, the existence of a large lake, with the then navigable San Juan River flowing from it into the Atlantic, reduced the magnitude of that undertaking simply to cutting across the narrow strip separating the lake from the Pacific. These facts undoubtedly supply the basis for the initial predilection of the United States in the 19th century for a Nicaraguan canal.

Eventually, the control of the Nicaragua route became a focal point of international conflict, with Great Britain and the United States in a diplomatic deadlock. This difficulty was not removed until 1901, when the Hay-Pauncefote Treaty superseded the earlier Clayton-Bulwer Treaty of 1850, which had deprived the United States of exclusive control of any isthmian canal.

¹ Graduating from the U.S. Naval Academy in 1918 (class of 1919), Captain DuVal has had extensive naval service including duty from 1941 to 1944 as captain of the port, Balboa, C.Z. In charge of marine operations in the Pacific sector of the Panama Canal. From 1946 to 1949 he was Navy Department Liaison officer and coordinator of Isthmian Canal studies, under the Chief of Naval Operations. He is the author of two books on the canal, "And the Mountains Will Move" and "Cadiz to Cathay," published by Stanford University Press, and is now completing a third volume in his trilogy.

PATTERN OF ISTHMIAN CANAL ISSUES EVOLVES

Meanwhile, French interests under the dynamic leadership of Ferdinand de Lesseps had decided to construct a canal across the isthmus. An International Congress for Consideration of an Interoceanic Canal met in Paris in 1879. There, this Congress wrestled with the difficult questions of selecting the best site and deciding on the best type. De Lesseps, the hero of Suez, (a simple sea-level canal), lent the full force of his prestige and his genius toward securing approval for a "sea-level" undertaking at Panama—a wholly different problem.

One engineer, the only one in that Congress who had adequately studied the geography of isthmian regions and grasped their significance, when he saw the trend toward decision for the "sea-level" type, rose in strong protest.

He understood the topography at Nicaragua and how its elevated lake, 105.5 feet high, would contribute toward the construction and operation of a canal there. He knew the surface features at Panama—the continental divide about 10 miles from the Pacific, the torrential Rio Obispo-Chagres flowing into the Atlantic, and the smaller Rio Grande into the Pacific, both through contiguous valleys suitable for the formation of lakes. Interpreting these elements in the light of maritime as well as engineering needs, he recognized the lake idea as offering the solution of the canal problem.

Then, with the vision and simplicity of true genius, he proposed a "practical" plan for the Panama Canal, here summarized: "Build a dam at Gatun and another at Miraflores, or as close to the seas as the configuration of the land permits. Let the waters rise to form two lakes about 80 feet high, join the lakes thus formed with a channel cut through the continental divide, and connect the lakes with the oceans by locks. This is not only the best plan for engineering but also best for navigation." Essentially, that was the plan for the Panama Canal eventually adopted in 1906. The man who conceived and presented the plan was Adolphe Godin de Lépinay.

The applicability of this plan—the only one which at that time could have had any chance for success—was not understood. De Lépinay's great idea was ignored. His conception of this plan, however, and its dramatic presentation before the Paris Congress of 1879 establish him as an architectural and engineering genius—the originator of the plan from which the Panama Canal was eventually built.

The French, despite De Lépinay's timely warning, launched upon their ill-fated undertaking. Ten years later, in 1889, their effort collapsed and the isthmus returned to the jungle. Yet, before the failure, the French, to save time and money, were forced to change their plans from "sea-level" to a modified high-level lake and lock type.

Thus, as the 19th century closed, the pattern of interoceanic canal's focal political and engineering issues had evolved: first, a struggle among competing interests in the choice of route; and second, debate as to the type of canal, with final decision for the high-level-lake and lock type at Panama.

PANAMA WINS THE BATTLE OF THE ROUTES

In 1899, after more than half a century of exploration, including a number of naval expeditions, the United States started serious investigations by means of an Isthmian Canal Commission for explora-

tion, 1899–1902, of which Rear Adm. John G. Walker, a distinguished line officer of the U.S. Navy, was president.

After an extraordinary political struggle, known as the “battle of the routes,” the Congress authorized the acquisition for the United States of a canal zone in what was then a part of the Republic of Colombia, the purchase of the French holdings, and construction of a canal at Panama, with provision for the Nicaragua canal as an alternate project, if suitable arrangements could not be made for one at Panama.

To this end, the *Chargé d’Affaires* of Colombia, Dr. Tomás Herrán, a graduate of Georgetown University and well acquainted with American governmental leaders, succeeded, after many months of arduous labor, in negotiating what was considered a most favorable canal treaty for his country—the Hay-Herrán Treaty of January 22, 1903, which was ratified by the U.S. Senate on March 17, 1903.

Unfortunately, this treaty became involved politically in Bogotá. The Colombian Senate, called into special session on June 20, 1903, for its ratification, rejected the treaty on August 12, 1903, against urgent pleadings of Dr. Herrán in Washington and U.S. Minister Arthur M. Beaupré in Bogotá.

Panamanian leaders, fearing that after all Panama still might lose the canal to Nicaragua, set out to prevent that possibility. Under the leadership of Dr. Manuel Amador, the state of Panama seceded from Colombia on November 3, 1903, and declared its independence. This was quickly recognized, first, by the United States, and appropriately, second, by France, the country that started the waterway. Then followed the Hay-Bunau-Varilla Treaty of November 18, 1903, which was ratified first by Panama and then by the United States.

In this treaty the Republic of Panama granted to the United States “in perpetuity” the “use, occupation, and control of a zone of land and land under water for the construction, maintenance, operation, sanitation, and protection” of the Panama Canal—and as if the United States were the “sovereign” of that territory. The ratification of this treaty sealed the choice of the Panama route.

The technical justification for this fundamental action was supplied by the Isthmian Canal Commission, 1899–1902, which, under the direction of Rear Adm. John G. Walker, explored all canal routes. He also headed the first Isthmian Canal Commission for construction of the Panama Canal (1904–5) under which the Canal Zone was acquired, the Canal Zone Government organized, and preliminary work started. These achievements place him in history as a principal architect of Isthmian Canal policy.

BATTLE OF THE LEVELS AND THE GREAT DECISION

Work under the United States control started haltingly, with increasing uncertainty as to the type of canal that should be constructed—the high-level-lake and lock type or a canal at sea level. Each proposal had strong advocates.

Fortunately, when the time for decision approached, President Theodore Roosevelt selected the great railroad builder, explorer, and business executive, the late John F. Stevens, as Chief Engineer of the Isthmian Canal Commission.

Mr. Stevens' qualifications were unique. He had read everything available on the proposed Panama Canal since the time of Philip H. built railroads in the Rocky Mountains, and supervised open mining operations in Minnesota. Thus, in his experience he had witnessed what occurs when the balances of nature are altered, and understood the hazards involved in excavating a navigation channel through mountains.

Arriving on the Isthmus on July 25, 1905, at the height of a crisis, he had matters under control within 24 hours. Experienced as he was in large undertakings, he promptly provided housing for employees, organized commissaries, encouraged sanitation, ordered equipment, planned the transportation system, and formed the basic engineering organization for building the Panama Canal. Indeed, so rapid was his progress that he found himself hampered by having to wait for a decision as to the type of canal, then being considered by an international Board of Consulting Engineers.

In its report of January 10, 1906, this board split—eight members, including five Europeans, voting for "sea level"; and the five remaining Americans voting for high-level-lake and lock. The naval member on the Isthmian Canal Commission at that time was the Chief of the Bureau of Yards and Docks, who, in a minority report, favored the "sea level" plan as "affording greater immunity from hostile injury."²

Meanwhile at Panama, Stevens had walked through the entire length of the canal route and studied the topography. Interpreting it in the light of navigational requirements as well as construction, he decided upon the high-level-lake and lock plan, with the Atlantic terminal dam and locks at Gatun. For the Pacific end, he favored placing its locks in one group south of Miraflores at Aguadulce, just as he planned to do at Gatun.

Testifying in Washington before congressional committees in January 1906, with a conviction for the high-level plan that no one could shake, he voiced his determined opposition to the "sea-level" idea.

But one appearance was not enough. In June, he was again in Washington, still leading in this memorable struggle, later described by Col. George W. Goethals as the "battle of the levels." On this occasion, Stevens even more forcefully and fearlessly urged the high-level-lake plan as the logical solution.

In the end, with the support of President Theodore Roosevelt, Secretary of War William H. Taft, and the Isthmian Canal Commission, the recommendations of Chief Engineer Stevens prevailed. Congress, by the act approved June 29, 1906, adopted the high-level-lake and lock plan as proposed by the minority of the International Board of Consulting Engineers. That was the great decision in building the Panama Canal, for the second time completing the pattern of inter-oceanic canal political and engineering debate.

Here it should be noted that when making his recommendation to the Congress for this action, President Roosevelt did so after evaluating all available evidence of relative vulnerability and operational effectiveness of the two types. Although he understood that the "sea-level" type would be "slightly less exposed to damage in event of war,"³

² Report of Board of Consulting Engineers for the Panama Canal (Washington, 1906). p. xix.

³ *Ibid.*, p. iv.

he recommended the high-level plan because of its economic and operational superiority.

The transit from 1914 through August 31, 1954, in both peace and war, of more than 230,517 vessels of various types has completely established the wisdom of that decision. Moreover, it secured Chief Engineer Stevens, who was primarily responsible for bringing it about, his great fame as the basic architect of the Panama Canal.

CIVILIAN CONTROL REPLACED BY MILITARY

Though the high-level plan, as approved by the minority of the International Board of Consulting Engineers, provided for placing all Atlantic locks at Gatun, it also specified separation of the Pacific locks into two groups. Chief Engineer Stevens, who had had railroad operating experience, recognized the operational inconvenience of this arrangement and never favored dividing the Pacific locks.

Eventually, on August 3, 1906, Stevens tentatively approved a plan developed by William Gerig. The proposal placed all Pacific locks in three lifts south of Miraflores with the terminal dam and locks between two hills, Cerro Aguadulce on the west side of the sea-level section of the canal and Cerro de Puente on the east side—on a natural perimeter that would have supplied the same arrangement as at Gatun. This plan, had it been followed, would have enabled lake-level navigation from the Atlantic locks to the Pacific, with a summit-level anchorage at the Pacific end of the canal to match that at the Atlantic end.

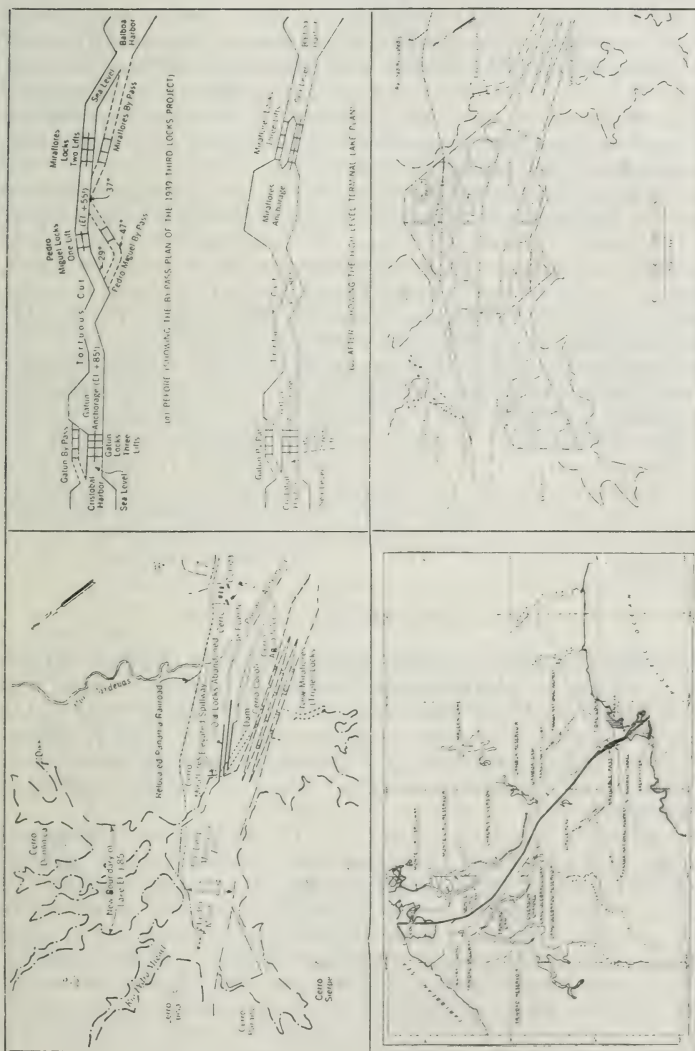
Regrettably, Stevens was under great pressure to start construction. Advocates of the "sea-level" proposal, stung to the quick by their defeat in Congress, were poised ready to take advantage of a major change in the approved program as evidence of weakness in the high-level plan. Opponents of any canal at all were also seeking some means to delay the enterprise. These two forces together represented a political and economic strength that could not be disregarded.

Stevens' foundation explorations, necessarily made in great haste, proved unsatisfactory, and he did not dare to jeopardize the project by further delay. Twenty days later, on August 23, 1906, still confident that this important question would rise again, he voided his plan marking it, "not to be destroyed but kept in this office," and proceeded with the approved plan for separating the Pacific locks.

In 1907, after having brought construction to a point where the success of the project was a certainty, Stevens resigned his positions as Chief Engineer and Chairman of the Isthmian Canal Commission, to which combined offices he had been appointed by President Roosevelt in recognition of his contributions. He was succeeded by Col. George W. Goethals under whose able direction the work was carried forward.

PANAMA CANAL OPENED FOR TRAFFIC

Notwithstanding this shift in administrative control of the canal enterprise from civilian to military in 1907, the Stevens proposal to combine the Pacific locks did not die. Col. William L. Sibert seriously studied it and, on January 31, 1908, formally submitted a definite plan



Courtesy American Society of Civil Engineers

VARIOUS PROPOSED ALTERATIONS FOR THE IMPROVEMENT OF THE PANAMA CANAL

Top, left shows the plan for the high level Miraflores Lake; details of which are presented in the two drawings on the right. The bottom drawing, left, shows the plan for the low level canal.

that reflected his appreciation of marine needs as the basis for navigational planning.⁴ But, unfortunately, the Sibert proposal likewise was not approved for reasons then deemed adequate.

In this connection, it is pertinent to comment that after the resignation of Rear Admiral Walker in 1905 there was no experienced navigator on the Isthmian Canal Commission. Thus, one can only ponder what might have been the result had such a person been readily available for consultation with Stevens and Sibert on marine planning. In the light of later operational and engineering knowledge, developed in 1941-44, when there was such consultation between experienced engineers and marine operating officials, it is indeed regrettable that the Stevens-Sibert proposals were not adopted.

Colonel Goethals headed the project to the end, making a number of important but nonbasic changes, which included a widening of Culebra (Gaillard) cut and the locks. He developed the first permanent operating organization under the Panama Canal Act of 1912 and, as the first Governor of the Panama Canal, opened the canal to traffic on August 15, 1914, and overcame the early slide crises. He and his associates won great fame as builders of the Panama Canal.

In this connection, it should be explained that the original concept of the functioning of the canal enterprise as a civil agency under the Panama Canal Act was dual: in peace, as an interoceanic public utility under a Governor; in war, under the supreme control of the commanding general of U.S. Army on the isthmus. In either status, the operational mission of the waterway remained as the transit of vessels under the obvious assumption that the Panama Canal, like other transportation facilities in the United States, would serve in war as well as in peace.

DEFENSE CONCEPTS BECOME ASCENDANT

After the opening of the canal to traffic, the great builders left the isthmus; operation and maintenance became matters of routine, and the project was uncritically accepted. The rapid development of the airplane and other modern weapons following World War I, dramatized by periodic fleet exercises off Panama, made considerations of defense matters of increasing concern; those of marine operations became secondary.

In the excitement preceding World War II, the Congress authorized construction of a third set of larger locks, primarily as a defense measure,⁵ known as the third locks project, at an authorized cost of \$277 million. The proposed layout placed a new set of larger locks (140 feet by 1,200 feet) near each of the existing locks but at some distance away to afford greater protection through dispersal and increased lock capacity for large naval vessels. The new locks were to be joined with the existing channels by means of bypass channels.⁶

Significantly, the plan included a number of construction features for future changing of the canal to "sea level." Thus, discerning

⁴ William L. Sibert and John F. Stevens, "The Construction of the Panama Canal" (New York: D. Appleton & Co., 1915), pp. 139-46 contains a summary of the Sibert proposal and its disposition.

⁵ Public Law 391, 76th Congress, approved Aug. 11, 1939 (535 Stat. 1409).

⁶ H. Doc. 210, 76th Cong., 1st sess. (1939).

students recognized the third locks project as renewing the old "battle of the levels" in a new form—that of "conversion."

The third locks project layout at the Atlantic end of the canal, which duplicates an operationally sound arrangement at Gatun, is likewise sound. At the Pacific end, however, the proposed new channel layout contained three sharp bends—29°, 47°, and 37°—in succession from north to south. The latter, if it had been completed, would have created operational problems and navigational hazards of the gravest character.

Construction started in 1940 and was pushed vigorously until suspended in May 1942, because of shortage of ships and materials more urgently needed elsewhere for war purposes. No excavation was accomplished at Pedro Miguel; that at Gatun and Miraflores was substantially completed. Some \$75 million was expended.⁷

WAR EXPERIENCE INSPIRES PLAN FOR CANAL IMPROVEMENT

The suspension of the third locks project, however, afforded an opportunity, while there was still time left to make such a study, for its reexamination in the light of operational needs demonstrated by marine experience. This was at a period when the Panama Canal was the scene of many military and naval expeditions on their way to and from combat zones in the Pacific. This, it should be also noted, was before the advent of the atomic bomb.

These studies conclusively established that the principal marine operational problems of the existing Panama Canal are—

1. Dangerous traffic bottleneck at Pedro Miguel and lack of a Pacific summit anchorage.
2. Double handling of vessels at separated Pacific locks.
3. Effect of fog in Culebra (Gaillard) cut on capacity and operations.
4. Lockage surges in cut caused by operating Pedro Miguel locks (3-foot maximum amplitude).
5. Limited operating range of Gatun Lake water level (87 feet–82 feet).
6. Navigational hazards in the restricted cut (300-foot minimum bottom width).
7. Inadequate dimensions of present locks for largest vessels (110 feet by 1,000 feet).⁸

From the nature of these inadequacies, it is obvious that locating the Pedro Miguel locks at the south end of Culebra (Gaillard) cut, where it created at traffic bottleneck and other problems, was the fundamental error in operational design of the Panama Canal.

Under the basic assumption that the prime function of the Panama Canal is the safe and convenient transport of vessels, it is self-evident that the wide channels of Gatun Lake afford safer and more convenient navigation than can any necessarily restricted channel at sea level.

⁷ House Committee on Merchant Marine and Fisheries, executive hearings on H.R. 4480 79th Cong., 1st sess., Nov. 15, 1945, p. 4.

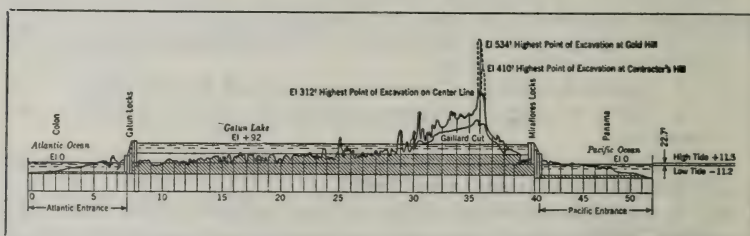
⁸ Hon. Willis W. Bradley, "What of the Panama Canal?" Congressional Record, vol. 94, pt. 10 (Apr. 21, 1948), p. A2449 and "The Whys of the Panama Canal," Congressional Record, vol. 95, pt. 12 (Mar. 4, 1949), p. A1303 contain extended discussions of marine problems.

Moreover, the advantages of unrestricted lake navigation outweigh the minor hazards and time lost by passage through locks. Thus, the best operational solution is not provided by lowering the Gatun Lake water level to sea level, or to some intermediate level, but by raising it to its highest feasible elevation.

The obvious economic operational solution thus is a major improvement of the existing canal according to what is known as the Terminal Lake-third locks plan, which includes the following program:

1. Removal of the bottleneck Pedro Miguel locks.
2. Construction of all Pacific locks in continuous steps near Miraflores.
3. and 4. Elevation of the intermediate Miraflores Lake water level (54 feet) to that of Gatun Lake to serve as an anchorage during fog periods and to dampen surges.
5. Raising the summit water level to its optimum height (approximately 92 feet).
6. Widening Culebra (Gaillard) cut.
7. Construction of a set of larger locks.

These modifications will remove the traffic choke at Pedro Miguel, correct present operational dissymmetry and simplify canal control, increase channel depths, and improve navigation, mitigate the effect of fog, reduce marine accidents, decrease transit time slightly, conserve water, and increase capacity. Thus, the plan supplies the best operational canal practicable of economic achievement.



Courtesy Civil Engineering

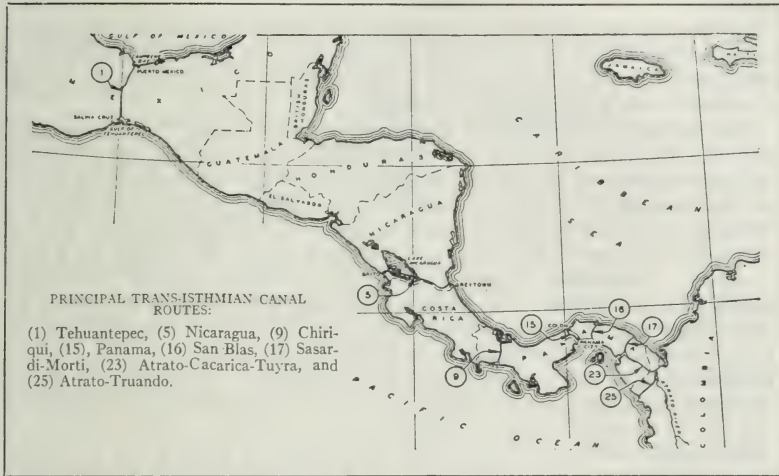
DIAGRAMMATIC SIDE ELEVATION OF THE PANAMA CANAL

This drawing shows the canal modified and adapted to the Terminal Lake-Third Locks proposal. The present lake and lock canal is unshaded; the sea-level proposal is shaded.

This plan was publicly revealed by its author on May 20, 1943, in an address before the Panama section of the American Society of Civil Engineers, under the title, "The Marine Operating Problems, Panama Canal, and the Solution."⁹ Attended by high Army, Navy, and Canal Zone officials, the presentation aroused the interest of the commandant of the 15th Naval District, Rear Adm. C. E. Van Hook, who was present. He later submitted the plan to the Navy Department. On September 7, 1943, the Secretary of the Navy forwarded it to the President. Subsequently, this proposal was approved in principle by the Governor of Panama Canal for the major modification of the existing canal.

⁹ A.S.C.E. "Transactions," vol. 114 (1949), p. 558.

According to the report of a 1949 congressional investigation, it can be accomplished at "comparatively low cost."¹⁰ Moreover, no doubt exists as to its soundness because a similar arrangement at Gatun has been tested since 1914 and found eminently satisfactory.



Courtesy American Society of Civil Engineers

ATOMIC BOMB RESURRECTS SEA-LEVEL PLAN

The spectacular advent of the atomic bomb in 1945 injected a new element into the canal picture. Under the force of its impact, canal officials sought authority to conduct an "overall review" of the entire interoceanic canals in the light of the then newest developments in the "military and physical sciences."¹¹ This was before the hydrogen bomb.

Accordingly, the Congress in 1945 enacted legislation¹² authorizing the Governor of the Panama Canal to make a comprehensive investigation of the means for increasing its capacity and security to meet the future needs of interoceanic commerce and national defense. The law also provided for a restudy of the third locks project, a study of canals at other locations, and for consideration of any new means for transporting ships across land. Thus was launched the second major canal crisis in the 20th century. It served to resurrect the corpses of the 1902 "battle of the routes" and the 1906 "battle of the levels" with a relashing of all the main arguments of the earlier struggles on the basis of the newer term, "security," rather than the older one, "vulnerability."

Under a far more extreme interpretation of the "security" factor of the statute than was intended by the Congress that enacted it, the investigation was directed toward obtaining authorization for a sea-

¹⁰ H. Rept. 1304, 81st Cong., 1st sess (1949), p. 2.

¹¹ Committee on Merchant Marine and Fisheries, op. cit., p. 5.

¹² Public Law 280, 79th Cong., approved Dec. 28, 1945 (59 Stat. 663).

level project at Panama, with the "security" and "national defense" factors as paramount, and money costs not a "governing consideration."¹³ In line with the 1905-06 precedent, the naval representative on the Board of Consulting Engineers for the greater part of this engineering investigation was the Chief of the Bureau of Yards and Docks.

In the ensuing public hysteria centered on the dangers of the atomic bomb and other modern weapons, the long range and fundamental mission of the Panama Canal to provide efficient and economic transit of vessels was generally overlooked.

The report of the 1946-47 Isthmian Canal Studies¹⁴ recommended only the sea-level project for major canal construction at Panama, initially estimated to cost \$2,483,000,000. With the exception of the two terminals, this project provides for constructing a virtually new Panama Canal of 60 feet minimum depth in navigation lanes and of 600-foot width between sloping sides at a depth of 40 feet on a new alignment somewhat removed from the present channel, which it crosses several times. The project includes a tidal lock (200 feet by 1,500 feet) and a navigable pass at the Pacific end, many miles of dams for flood control reservoirs on both sides of the projected canal, diversion channels and other structural features. This program would result in abandonment of the greater part of the existing waterway and the investment that it represents.

Although the 1947 report contained studies of plans for a Terminal Lake-third lock project, which it did not recommend, it offered a relatively minor program for improvement of the present canal installations "to meet the needs of commerce" as a preferred alternative to the major improvement of the existing waterway as recommended to the President in 1943 by the Secretary of the Navy.

Transmitted by the President to the Congress on December 1, 1947, and without presidential approval, comment, or recommendation, the report promptly encountered sharp opposition. The Congress took no action on this report. Instead, in 1949, it authorized an investigation of the organizational and financial aspects of the canal enterprise,¹⁵ for which study Representative Clark W. Thompson, of Texas, a retired Marine Corps Reserve officer, served as chairman. This investigation resulted in the first basic change¹⁶ in the permanent canal operating organization that was established in 1914.

The new act requires that transit tolls be established at rates that will place the operation of the canal enterprise on a self-sustaining basis—a new principle in Isthmian Canal policy with far-reaching implications affecting the future economic management of the Panama Canal and interoceanic commerce. This subject is now under further congressional study.¹⁷

¹³ See statement of Board of Consulting Engineers, quoted in *Panama American*, Aug. 5, 1946, p. 3, cols. 4-6.

¹⁴ Summarized with discussions in A.S.C.E. "Transactions," vol. 114 (1949), pp. 607-906.

¹⁵ H. Res. 44, 81st Cong. quoted in *Congressional Record*, vol. 95, pt. 2 (Feb. 28, 1949), p. 1617.

¹⁶ H. Doc. 460, 81st Cong., 2d sess. (1950) and Public Law 841, 81st Cong., approved Sept. 26, 1950 (64 Stat. 1035).

¹⁷ Hon. John J. Allen, "Panama Canal—Interim Report," *Congressional Record*, vol. 100, No. 149 (Aug. 4, 1954), p. A5766.

CLARIFICATIONS RESTORE OPERATIONS AS BASIS FOR PLANNING

Meanwhile in the Congress, the "security" and "national defense" premises, on which the recommendation for the sea-level project was primarily based, were vigorously challenged.

As to the atomic bomb, Representative Willis W. Bradley, a retired naval officer, summarized his views: "As far as I can ascertain, the greatest authorities on modern weapons of war who have given this subject serious attention hold uniformly that any canal would be critically vulnerable to the atomic bomb, regardless of type; that a sea-level canal would be in the same security class as a lake canal; that a sea-level canal could be closed for prolonged periods of time beyond any hope of speedy restoration; and that a sea-level canal cannot be considered secure in an atomic war. These same authorities also agree that the atomic bomb is irrelevant as a controlling factor in the planning of operational improvements for the Panama Canal."¹⁸

Representative, now Senator, Thomas E. Martin of Iowa, a retired Army officer, developed the national defense clarification, repeatedly stressing that protection of any type of canal, wherever located, is "an overall governmental responsibility, and that its defense, like that of the seaports, airports, railroads, highways, and productive centers of the United States depends upon the combined industrial, military, naval, and air power of this Nation as obtained in both world wars, and not upon passive defense measures, such as may be embodied in inherent characteristics of canal design."¹⁹

Here it should be stated that leading atomic warfare authorities, who studied the problem of Canal Zone defense in 1947, considered that arguments as to relative vulnerability of types of construction are entirely without point and that the sea-level project would, in effect, constitute a "magnet line." This view has been greatly strengthened by the later development of the hydrogen bomb, which is measured in megatons of TNT equivalent as compared to kiloton for the atomic bomb.

In the course of extensive discussions of the sea-level project recommendation,²⁰ congressional and administrative leaders often stressed the point that this project, if justified primarily for "national defense," would divert both funds and resources from projects and programs in the United States that are far more essential to national security. The combined effects of the defense clarifications have been toward eliminating the concept of inherent resistance to attack as the governing consideration in planning at Panama. Thus, it appears that the only justifiable security design feature is adequate protection against sabotage, which is chiefly an administrative function.

Eventually, a group of engineers and others associated in building the Panama Canal submitted their views in a memorandum to the Congress. This memorial challenged the official cost estimates in the 1947 report, charging that the sea-level project would cost several times

¹⁸ Bradley, "What of the Panama Canal?" op. cit., p. A2451.

¹⁹ Hon. Thomas E. Martin, "An Inter-oceanic Canals Commission, the Best Solution of Panama Canal Problem," Congressional Record, vol. 97, pt. 14 (July 18, 1951), p. A4481.

²⁰ Hon. Clark W. Thompson, "Isthmian Canal Policy of the United States—Bibliographical List," Congressional Record, vol. 95, pt. 16 (Aug. 25, 1949), p. A5580 and subsequent statements of distinguished Members of Congress.

its initial estimate—\$2,483 million—and that the third locks project adapted to the principles of the terminal lake proposal (widening Culebra Cut excepted) can be accomplished at relatively low cost as compared to that of the sea-level project—estimated as under \$600 million.

The statement also criticized the 1953 program for repair and alteration of present lock structures as makeshifts in character and without sufficient merit, pointing out that it will delay the fundamental and long-overdue solution of the problems involved. It stated that the Governor's recommendation of none but the sea-level project for major increase of canal facilities served to exclude what may be the best solution when evaluated from all angles.

Included in an address to the House by Representative Eugene J. Keogh of New York ²¹ this memorandum was promptly recognized by the engineering profession.²²

Strong appeals for the creation of a wholly American, independent, broadly based, predominantly civilian, strictly nonpartisan and objective Interoceanic Canals Commission, composed of able men who may not be dominated or unduly influenced by Federal executive agencies, have been made by responsible Congressional leaders as the best means for developing a wisely-reasoned Isthmian Canal policy.²³

The consequences of prolonged arguments, in and out of the Congress, have been toward restoration of economic thinking and an increased appreciation of fundamental planning concepts so well expressed during the 1905-06 "battle of the levels" by General Henry L. Abbott, the great student of the Chagres, member of the Comité Technique of the French Panama Canal Company and the international Board of Consulting Engineers, and an advocate of the high-level type. His words were: "The true criterion is ease and safety of transit, and * * * this test leaves no doubt as to which type of canal should be preferred at Panama."²⁴ This standard, both obvious and simple, is as true today as it was when written in 1905. Moreover, it is applicable in evaluating not only canal proposals at Panama but also those at other locations.

DIPLOMATIC IMPLICATIONS

The juridical basis for the Canal Zone rests with the Hay-Bunau-Varilla Treaty, which authorized a zone 10 miles wide extending 5 miles on each side of the center line of the canal. After extended diplomatic discussions, the boundaries of the Canal Zone were later fixed in the Price-Lefevre Boundary Convention of September 2, 1914.

An examination of the general plan of the proposed sea-level project discloses a number of features not covered by current international agreements. Among these are: a new main channel alignment substantially removed from the existing channel from which Canal Zone

²¹ "Panama Canal Construction Engineers Favor Interoceanic Canals Commission," Congressional Record, vol. 100, No. 79 (Apr. 29, 1954), p. 5491.

²² "Panama Canal Problem," Civil Engineering, vol. 24 (July 1954), p. 460.

²³ H.R. 8457 and H.R. 8458, 82d Congress, H.R. 1048, 83d Congress, and S. 766 and H.R. 3335, 84th Congress.

²⁴ Henry L. Abbott, "Problems of the Panama Canal." (New York: Macmillan Co., 1905), p. 224.

boundaries are measured; flooding of additional territory in the Republic of Panama in the Chagres River Valley downstream from Madden Dam (Alhajuela); diverting the Chagres River from its present path west of Limon Bay to a new path east of the bay that crosses a Panamanian highway; and draining the central portion of Gatun Lake. The last feature would disrupt present navigation channels to Panamanian settlements on the lake and uncover large and forbidding swamp areas with resulting health and sanitation consequences.

These aspects of the "sea-level" undertaking would undoubtedly bring a demand from the Republic of Panama for a new treaty covering the specific conditions for its construction. What concessions such a treaty would cost cannot be predicted. But, based upon previous experience in such diplomatic negotiations, these costs would be far greater than earlier ones, inevitably adding to the total estimate and increasing tolls.

Furthermore, such negotiations would be fraught with considerable uncertainty in the relations of the United States with Panama and other nations of Latin America, not to mention threats to the security of the enterprise through the process of its internationalization, for which there have been persistent demands.

In contrast, the Terminal Lake-Third Locks plan, being merely an "enlargement of the existing facilities"²⁵ that does not call for additional "land or waters" or authority, will not require a new canal treaty. This, it must be obvious, is a truly paramount consideration.

The construction of a canal at another location would introduce an entirely new diplomatic situation, which would be just as complicated as that at Panama.

The salient elements of this situation, however, are: that the 1947 report does not present these significant diplomatic involvements; that the need for negotiating a new treaty with Panama to cover the sea-level project was not submitted to the Congress; and that the Congress has not authorized such negotiation as was done in the Spooner Act of 1902 for the original construction of the Panama Canal.

ISTHMIAN CANAL POLICY MUST BE REDETERMINED

The evolution of Isthmian Canal policy has been slow. Its principal objectives have long been the best type of canal at the best site for the transit of vessels of commerce and war of all nations on terms of equality as provided by treaty, and at low cost of construction, maintenance, operation, sanitation, and protection.

Often beset by bewildering confusions of ideas, the progress of fundamental concepts has, at time deviated from their logical courses. Yet events have thus far conspired to avert irretrievable error. Now, with the main arguments clarified, the interoceanic canal problem in its national relationships is coming to be better understood and attention is focusing on the true objectives of securing requisite capacity and operational efficiency. Nevertheless, the evolving situation is of such grave concern that it must be protected by ceaseless vigilance and fully matured objective judgment.

²⁵ Hull-Alfaro Treaty of Mar. 2, 1936, art. II.

The Panama Canal is now entering its fifth decade of operations. Its navigational inadequacies have been established. The canal as completed contains fundamental errors in operational design centered on the location of the Pedro Miguel locks. These can be corrected only by the major reconstruction of the Pacific end of the canal as contemplated in the Terminal Lake-third locks proposal.

Commercial traffic through the canal has reached the highest volume in history. The Navy has vessels that cannot transit. Issues raised by questions of "security" and "national defense" have been formally submitted but never accepted. The principle of economic operation of the canal has been embodied in law.²⁶ Yet, in a physical sense, the shipway is still essentially what it was in 1914. Thus, the time has come to provide, without further delay, the additional interoceanic transit capacity and operational improvements to meet present and future needs.

The solution of this problem is not the simple proposition that it may appear. Instead, it is a highly complicated one of the greatest national importance, rising above purely personal and group considerations. It involves questions of fundamental operational and engineering planning, the decisions on which will affect the welfare of the United States and other maritime nations through the indefinite future.

These facts call for a further reassessment of the entire interoceanic canals problem²⁷ based on realities, with a comprehensive restatement of Isthmian Canal policy as derived from a reasoned line of action. This is the task that sooner or later the Congress and the Nation must meet.

²⁶ Public Law 841, 81st Cong., approved Sept. 26, 1950 (64 Stat. 1038).

²⁷ Thompson, "Interoceanic Canals Problem," Congressional Record, vol. 98, pt. 8 (Jan. 15, 1952), p. A-163.

[From the Congressional Record, 87th Cong., 2d sess., June 13, 1962]

PRESIDENT TAFT: STATEMENT ON CANAL ZONE SOVEREIGNTY AND JURISDICTION

Mr. FLOOD. Mr. Speaker, even since the ill-advised action of the President of the United States on September 17, 1960, in directing the formal display of the Panama flag over the Canal Zone territory, the question of sovereignty over the zone has become a topic of increasing discussion in the Spanish-language press of the isthmus, with resulting confusion and uncertainty.

Among the remarks of American statesmen most often quoted out of context on the matter of sovereignty over the Canal Zone are those of President William Howard Taft, who, first as Secretary of War and later as President, was associated in responsible capacity with the construction of the Panama Canal a longer time than any other high official.

On November 16, 1910, while attending a banquet given by the President of Panama, in the capital city of that Republic, President Taft made this significant statement:

We are here to construct, maintain, operate, and defend a world canal, which runs through the heart of your country, and you have given us the necessary sovereignty and jurisdiction over the part of your country occupied by that canal to enable us to do this effectively. (Source: Canal Record, vol. IV [Nov. 23, 1910], p. 100.)

Such comments by President Taft were no mere offhand remarks, but a deliberately phrased declaration by the President of the United States. It was a clear-cut and accepted statement of the policy under which the Canal Zone was acquired and the Panama Canal constructed and has since been maintained and operated in a land of endemic revolution and political instability. It would indeed be tragic for any weakening in this policy to be made at this time of international crisis which may continue for many years to come.

Any subtraction from the time-tested policy of exclusive sovereignty of the Canal Zone by the United States is well calculated to cause disaster to the entire world, for the Panama Canal as a major transportation artery, has long been the key target in the long-range program for Bolshevik conquest of the Caribbean.

Furthermore, the surrender of the Panama Canal to any other country or to any international body might well result in the most serious consequences to the free world as well as open a diplomatic Pandora's box. This is no time to temporize on a subject of such transcendent significance.

In order that the full text of President Taft's significant statement may be available to all agencies of our Government, both legislative

and executive, which may be concerned with this matter, and the Nation at large, I quote it as part of my remarks:

[From the Canal Record, Nov. 23, 1910]

PRESIDENT TAFT'S VISIT

President Arosemena and my friends of Panama, I am always glad to accept your hospitality. As once I have done in the case of Mexico, so now in the case of Panama, I have ventured to violate the customary limitation upon the movements of the President of the United States by leaving the soil where it exercises sovereignty to come beneath the flag and the protection of a friendly neighbor.

The birth of the Republic of Panama and the peculiar interest that the United States has had since that birth in Panama's welfare and prosperity found a common cause in the construction of the Panama Canal. The treaty between the two countries makes the United States the guarantor of the integrity of the Panama Republic, and, therefore, in a sense the guardian of the liberties of her people secured by its constitution. Our responsibility, therefore, for your Government requires us closely to observe the course of conduct by those selected as the officials of your Government after they are selected, and to insist that they shall be selected according to law. All this, I say, makes us especially interested in what is done in your Government, but this relation neither calls for nor permits annexation. We are here to construct, maintain, operate, and defend a world canal, which runs through the heart of your country, and you have given us the necessary sovereignty and jurisdiction over the part of your country occupied by that canal to enable us to do this effectively. We do not wish any further responsibility in respect to your Government than is necessary in the carrying out of our purpose to construct and maintain this canal. We have no desire to add to the territory under our jurisdiction except as the operation of the canal may require it. We have guaranteed your integrity as a republic, and for us to annex the territory would be to violate that guarantee, and nothing would justify it on our part so long as Panama performed her part under the treaty. I wish to make this statement as emphatic as possible, because irresponsible persons, without the slightest foundation of fact, have started the rumor that my visit to the isthmus was for the purpose of preaching annexation, when nothing could be further from the truth. Panama cannot be too prosperous, cannot be too healthy, cannot be too strong a government for the United States. And I know I speak the unanimous voice of the people of the United States when I say that they would be most reluctant to have to take over the responsibilities of government in this neighborhood, beyond that of the Canal Zone, and that they would feel utterly dishonored in so doing unless there was some conduct on the part of the Panamanian people which left them no other possible course. I am glad to say that there is not the slightest indication or probability that the Panamanian people will ever pursue a policy which will require such a change in the present most satisfactory relations between the two Republics.

[From the Congressional Record, 88th Cong., 1st sess., Feb. 18, 1963]

PANAMA CANAL PROCRASTINATION PERILOUS

Mr. FLOOD. Mr. Speaker, it has been aptly stated that the history of the Panama Canal is one of continuing crises. Those of key character concern the best site and the best type, known as the battle of routes and battle of the levels. Moreover, this pattern of struggle reappears periodically, and since 1947 the question of the proper modernization of the Panama Canal has been beset with repetitions of these old controversies in slightly modified forms.

Over a period of years, a number of Members of the Congress, several in the House but only one in the Senate, who have made serious studies of the canal question and recognized its magnitude, have introduced bills to create the Interoceanic Canals Commission. In so doing, it was their purpose to provide an effective agency to develop a timely, definite, and wisely reasoned Isthmian Canal policy, which the Congress and the Nation can accept and which time and usage will justify.

Unfortunately, this task has been complicated immeasurably by the ratification in 1955 of a secretly contrived canal treaty between the United States and Panama and by the nationalization in 1956 of the Suez Canal by Egypt. Despite the inherent differences between the juridical foundations of the two interoceanic canals, this action by Egypt served to evoke a chain of aggressive nationalistic and Communist revolutionary inspired agitations in Panama, some of them marked by mob violence led by well-trained leaders. The long-range objectives of this revolutionary movement is the wresting of the sovereign control of the Panama Canal from the United States and the extortion of greater benefits from the toll revenues. The only basis for such aims is that inherent in Panama's geographical location, which is adjacent to the Canal Zone territory. The difficulties of securing increased transit capacity have now become severely aggravated by the necessity for safeguarding the sovereignty and jurisdiction of the United States over the Panama Canal and the Canal Zone.

As a start in this direction, I made a series of major addresses in the House beginning in 1957 and continuing up to the present Congress. These included, in comprehensive detail, the diplomatic and legislative history of the acquisition by the United States in 1904 of our territorial possession known as the Panama Canal Zone.

Though these efforts were generally ignored in the mass news media of the United States or, when presented, had their meaning distorted, they were prominently featured in the press of Panama, especially in the Spanish-language papers, which I follow closely. Through the latter, they have produced echoes from various countries of Latin America.

The failure on the part of elements in our Department of State to stop the depredations of isthmian agitators by means of forthright

declarations of U.S. policy, in the course of time, has led to a chain of diplomatic victories by Panama, making the United States a laughing stock in the Western Hemisphere. So confident did anti-U.S. extremists become that the Panamanian National Assembly even attempted to encircle the Canal Zone by enacting legislation extending the 3-mile limit to 12 miles, with Panama controlling the water at each end of the zone's 3-mile limit, which could have made that waterway another Berlin. This attempt our Government very promptly and properly refused to recognize, but friction resulted.

The radical leadership in the Panama National Assembly, which includes some Marxist-Leninists, obviously understood the significance of my researches in the exposure of their schemes and did not stop with the attempted encirclement of the Canal Zone. It followed up by giving me the unique distinction of being formally declared as public enemy No. 1 of Panama.

The situation on the isthmus was worsened on September 17, 1960, when the President of the United States, in a mistaken gesture of friendship, by an Executive order soon after the adjournment of the Congress, directed the formal display of the Panamanian flag outside the flag of the United States at one place in the Canal Zone as evidence of a so-called titular sovereignty of Panama over the zone. This unfortunate precedent of striking the American flag in the Canal Zone, as predicted by me on the floor of the House, merely served to open the door, for in Panama and elsewhere, the action was interpreted as a belated U.S. recognition of Panamanian sovereignty.

In this connection, Mr. Speaker, I would invite attention to the fact that on February 2, 1960, after full debate, the House of Representatives approved House Concurrent Resolution 459, 86th Congress, against such display by the overwhelming vote of 381 to 12, which was transmitted to the Senate but, for reasons not published, was never acted upon by that body. In addition, the Congress passed the Gross amendment to the Department of Commerce Appropriations Act prohibiting the expenditure of funds embraced in the act for such purpose. No wonder isthmian extremists became emboldened and arrogant.

Under these circumstances, the necessity for an effective counterpoise to Panama became clearly evident. This compensating force developed in the form of growing demands for a second canal at Nicaragua, the ancient rival of the Panamanian site, and elsewhere. In an address to the House on June 30, 1960, I undertook to give a comprehensive description of the Nicaraguan project, which was largely based on a 1931 report—House Document No. 139, 72d Congress—and to advocate its consideration. The second canal idea, thus stimulated, served as an antidote for Castroism in Panama and to still some of the violent anti-American agitations among its radical elements. This address, moreover, supplies significant background information on the interoceanic canal picture, in which the Nicaraguan idea has a history of over four centuries.

Now, Mr. Speaker, for more than 30 years our country has witnessed a frustrating succession of administratively dominated, *ex parte* investigations and reports concerning increased interoceanic canal transit facilities, often directed by those who, directly or indirectly, would

benefit from their own recommendations. The prime illustration of such procedure was the ill-fated 1939 project for a third set of larger locks at Panama. This construction effort, launched under congressional authorization on administrative recommendations, was suspended in 1942 after an expenditure of some \$75 million of the taxpayers' money, mainly on lock site excavations at Gatun and Miraflores. It is fortunate that no excavation was started at Pedro Miguel. Had such an engineering fiasco been brought about by civilian engineers they would have been crucified.

After suspension of construction on this project, a number of independent engineers and others studied its planning and learned that no adequate investigation of it had been made prior to submission to the Congress. Such failure is difficult to comprehend.

At this point, Mr. Speaker, may I suggest that Members of the Congress, when visiting the Canal Zone, inquire into significant phases of the third locks project history and inspect the channel layout as then planned by personal observations around the Miraflores Lake area, as other Members of the Congress and myself have done. But, unless the project is studied in advance of such inspection and understood, there will be no point in making a field exploration of it.

It is interesting to note also that an undisclosed objective of the third locks program was conversion of the Panama Canal to sea level, according to a plan which had likewise not been adequately studied, and that completion of the third locks project would not only have resulted in creation of a navigational monstrosity at the Pacific end of the canal, but as well would have committed our country to a serpentine sea-level undertaking that would have been a navigational nightmare. Moreover, all of this resulted from a formal inquiry by routine administrators pursuant to Public Resolution No. 85, 74th Congress, approved May 1, 1936, and without adequate hearings or debate by the Congress—House Document No. 210, 76th Congress, and Public Law 391, 76th Congress.

The great questions in the canal problem are:

First. Safeguarding the untrammelled sovereignty and jurisdiction of the United States over the Panama Canal and the Canal Zone territory, without which the canal cannot be operated.

Second. The major operational improvement and increase of capacity of the Panama Canal by the elimination of the bottleneck locks at Pedro Miguel, the consolidation of all Pacific locks in new three-lift structures near Aguadulce to correspond with the lock arrangement at Gatun, and raising the Miraflores Lake level to that of Gatun Lake to form a summit anchorage at the Pacific end of the canal to match that at the Atlantic end. This program would also include one set of larger parallel locks for larger vessels and raise the summit lake level from its present height of 85 to 92 feet.

Third. The question of a second canal, at Panama, Nicaragua, Colombia, or elsewhere, in an area that extends from Tehuantepec to the region of the Atrato, of whatever type that supplies the best conditions for transit at least cost.

In these connections, Mr. Speaker, I would invite attention to the fact that in 1944, when the initial recommendation for the elimination of the Pedro Miguel locks was submitted to the Secretary of War, the

then Governor of the Canal Zone warned that advocates of a so-called sea-level canal at Panama would oppose "unjustifiably" any major change in the existing waterway on the ground that such improvement would delay its conversion to one at sea level—Congressional Record, June 21, 1956, statement of Senator Thomas E. Martin. This, Mr. Speaker, is no real reason at all. Nevertheless, the then Governor's warning has been more than justified by sea-level advocates who have not only opposed any major improvement of the existing canal, but also have prevented an adequate study of it and have failed to present any information concerning the inevitable indemnity and increased annuities involved, or even to mention the subject. Furthermore, it is indeed remarkable that these insistent advocates, some of whom have been in positions of authority, have unfailingly endeavored to conceal important facts and consequences to arise, and have striven to commit our Government to an unnecessary venture that would overnight plunge us into a measureless sea of extravagance and diplomatic turmoil. All of this could be, and would be, obviated by the major improvement of the existing canal by means of a third locks project, modified to include the reconstruction of the Pacific end of the canal. Moreover, such major improvement would not require a new treaty with Panama, or a new indemnity, which is a matter of paramount importance and has been, and still is, consistently ignored by sea-level advocates.

More than two decades have passed since suspension of the third locks project. Traffic has continued to grow, making action more urgent. Certainly, the time for permitting further procrastination on the part of administrative officials in coming to a wise decision is now over.

In determining our country's attitude on this vital question, all the pertinent facts must be considered and met—not concealed as has been done on more than one occasion. To decide upon matters of such magnitude in a purely routine, administrative manner is absolutely shocking and has been repeatedly shown to have been counter to the best interests of the United States and the world at large.

Transcendent among the many considerations that enter into the Panama Canal picture is that of the Pandora's box of diplomatic difficulty that would be involved in the adoption of the so-called sea-level project for that waterway. This plan would open up the entire treaty situation and make the United States a target for political blackmail in the way of vast indemnity and annuity costs as well as risk of the final liquidation of our sovereign rights, power, and authority over the canal enterprise. No wonder Panamanian politicians and others who would benefit have overtly and covertly sought its adoption.

Mr. Speaker, I consider it a dastardly outrage that attempts should be made to settle these grave questions as casual routine matters, withholding significant facts from the people of our Nation, and bypassing the Congress and the President. Every consideration demands action by the Congress.

To this end, I have introduced H.R. 3858 to create a competent, objective, and independent Interoceanic Canals Commission charged with broad authorities for making the necessary studies and reports touching on this matter of increased interoceanic transit facilities, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Inter-oceanic Canals Commission Act of 1961".

SEC. 2. (a) A commission is hereby created, to be known as the "Interoceanic Canals Commission" (hereinafter referred to as the "Commission"), and to be composed of eleven members to be appointed by the President, by and with the advice and consent of the Senate, as follows: One member shall be a commissioned officer of the line (active or retired) of the United States Army; one member shall be a commissioned officer of the line (active or retired) of the United States Navy; one member shall be a commissioned officer of the line (active or retired) of the United States Air Force; and eight members from civil life, four of whom shall be persons learned and skilled in the science of engineering. The President shall designate one of the members from civil life as Chairman, and shall fill all vacancies on the Commission in the same manner as are made the original appointments. The Commission shall cease to exist upon the completion of its work hereunder.

(b) The Chairman of the Commission shall receive compensation at the rate of \$25,000 per annum, and the other members shall receive compensation at the rate of \$22,500 per annum, each; but the members appointed from the Army, Navy, and Air Force shall receive only such compensation, in addition to their pay and allowances, as will make their total compensation from the United States \$22,500 each.

SEC. 3. The Commission is authorized and directed to make and conduct a comprehensive investigation and study of all problems involved or arising in connection with plans or proposals for—

(a) an increase in the capacity and operational efficiency of the present Panama Canal through the adaptation of the Third Locks Project (53 Stat. 1409) to provide a summit-level terminal lake anchorage in the Pacific end of the canal to correspond with that in the Atlantic end, or by other modification or design of the existing facilities;

(b) the construction of a new Panama Canal of sea-level design, or any modification thereof;

(c) the construction and ownership, by the United States, of another canal or canals connecting the Atlantic and Pacific Oceans;

(d) the operation, maintenance, and protection of the Panama Canal, and of any other canal or canals which may be recommended by the Commission;

(e) treaty and territorial rights which may be deemed essential hereunder; and

(f) estimates of the respective costs of the undertakings herein enumerated.

SEC. 4. For the purpose of conducting all inquiries and investigations deemed necessary by the Commission in carrying out the provisions of this Act, the Commission is authorized to utilize any official reports, documents, data, and papers in the possession of the United States Government and its officials; and the Commission is given power to designate and authorize any member, or other officer, of the Commission, to administer oaths and affirmations, subpoena witnesses, take evidence, procure information and data, and require the production of any books, papers, or other documents and records which the Commission may deem relevant or material for the purposes herein named. Such attendance of witnesses, and the production of documentary evidence, may be required from any place in the United States, or any territory, or any other area under the control or jurisdiction of the United States, including the Canal Zone.

SEC. 5. The Commission shall submit to the President and the Congress, not later than two years after the date of the enactment hereof, a final report containing the results and conclusions of its investigations and studies hereunder, with recommendations; and may, in its discretion, submit interim reports to the President and the Congress concerning the progress of its work. Such final report shall contain—

(a) the recommendations of the Commission with respect to the Panama Canal, and to any new interoceanic canal or canals which the Commission may consider feasible or desirable for the United States to construct, own, maintain, and operate;

(b) the estimates of the Commission as regards the approximate cost of carrying out its recommendations; and like estimates of cost as to the respec-

tive proposals and plans considered by the Commission and embraced in its final reports; and

(c) such information as the Commission may have been able to obtain with respect to the necessity for the acquisition, by the United States, of new, or additional, rights, privileges, and concessions, by means of treaties or agreements with foreign nations, before there may be made the execution of any plans or projects recommended by the Commission.

SEC. 6. The Commission shall appoint a secretary, who shall receive compensation fixed in accordance with the Classification Act of 1949, as amended, and shall serve at the pleasure of the Commission.

SEC. 7. The Commission is hereby authorized to appoint and fix the compensation of such engineers, surveyors, experts or advisers deemed by the Commission necessary hereunder, as limited by the provisions in title 5, United States Code, section 55a (1946 edition); and may make such expenditures—including those for actual travel and subsistence of members of the Commission and its employees—not exceeding \$13 for subsistence expense for any one person for any calendar day; for rent of quarters at the seat of Government, or elsewhere; for personal services at the seat of government, or elsewhere; and for printing and binding necessary for the efficient and adequate functions of the Commission hereunder. All expenses of the Commission shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the Chairman of the Commission, or such other official of the Commission as the Commission may designate.

SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions and purposes of this Act.

[From the Congressional Record, 88th Cong., 1st sess., Apr. 9, 1963]

CONGRESS MUST SAVE THE PANAMA CANAL

Mr. FLOOD. Mr. Speaker, over the past few years I have addressed this body at great length to present to the Congress and the Nation a clear picture of the situation in the Caribbean with special reference to the key target of the world revolutionary movement in that area—the Panama Canal. All significant aspects have been explored, a plan of action to meet the crisis offered, and a series of predictions made of what would happen in the event of the failure of our Government, the Congress and the Executive, to take the necessary steps in the way of forthright declarations of our national policy.

So far, our country has not taken the measures required. Instead, it has floundered from crisis to crisis making concession after concession and, by this inaction or implied acquiescence, has invited larger and larger demands. The most serious fears that inspired my repeated warnings have come to pass virtually as predicted with no end yet in sight, and I hardly know what to say.

The situation which a few years ago was simple and easy to remedy has now become so grave that I feel impelled to speak out again on this crucial matter so that the people of the United States and their Congress will know what is happening in their backyard with respect to the sovereign powers, rights, and authority of the United States over the Canal Zone and Panama Canal. To this task, I now address myself.

WARNINGS THAT WERE IGNORED

What were some of the incidents that were forecast and timely warnings given? The list of them, in the light of what has subsequently transpired, is an impressive array. They were:

In 1958, the attempt of Panamanian students to hoist the Panama flag at the Canal Zone Administration Building, which most people then laughed off as a playful students' prank; and

On November 3, 1959, during the annual commemoration of the independence of Panama from Colombia, the attempted invasion of the Canal Zone by a Panamanian mob, which overpowered the civil police of the Canal Zone and required the use of the U.S. Army to protect the zone.

On September 17, 1960, soon after the adjournment of the Congress, the ill-advised action of the President of the United States, contrary to will of the Congress as expressed in legislative enactments concerning the canal, in directing the formal display of the Panama flag over the Canal Zone territory as evidence of Panama's so-called "titular sovereignty."

The ensuing misinterpretation by Panamanian and international propagandists of this action as recognition of Panamanian fundamental sovereignty over the zone.

And on October 29, 1962, on orders of the executive department of our Government, the formal raising of the Panamanian flag at the Canal Zone Administration Building, on a separate flagmast alongside the U.S. flag as part of a program for similar displays at other points in the zone as increased recognition of Panama's claim of titular sovereignty over the Canal Zone and Panama Canal.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Iowa; yes. I am very glad to yield to my friend, the gentleman from Iowa [Mr. Gross], because I recall that when I was a member of the Appropriations Subcommittee which at that time considered the request for the Department of Commerce, during the period of years I was discussing this, there was an amendment introduced by the gentleman from Iowa to the appropriation bill for the Department of Commerce and passed unanimously by the House, to prevent the use of any funds in that bill for the erection of any flagpole or any other contrivance for the flying of a flag in an attempt to defeat that program. I am happy to yield to the gentleman from Iowa.

Mr. GROSS. And, it was by an Executive order of then President Eisenhower that the will of Congress was subordinated—I believe that is the proper word—at least the flag of Panama was raised along with the U.S. flag in the Canal Zone?

Mr. FLOOD. That is correct; and it was done by subterfuge because the gentleman's amendment to the appropriation bill and as it applied to the Department of Commerce became law. It was clear and it expressed again the second intent of this Congress that that not take place, and that any money in the bill could not be used to build a flagpole or to fly the flag because under the provisions of that appropriation for the Department of Commerce and related agencies the Panama Canal and the Panama Canal Government was in that bill.

Hence that money could not be used. So, the subterfuge was perpetrated upon the American people and upon this Congress, and I do not think he should have directed the Army from those funds to do so because of the gentleman's amendment to that bill.

Mr. GROSS. That is exactly right, and I want to commend the gentleman for the unceasing fight he has made to preserve our right to be in the Canal Zone and to administer the Territory there as it ought to be administered in the interest of the United States.

Mr. FLOOD. With the help of such Members as the gentleman from Iowa, we will continue to do this.

The last action, Mr. Speaker, was taken by your Government despite the fact that on October 12, only 17 days previously, the ceremonies for the dedication of the Thatcher Ferry Bridge at Balboa, attended by Under Secretary of State George W. Ball, former Governor Maurice H. Thatcher, and other notables, was marred by Panamanian demonstrators, who used communistic revolutionary tactics and claimed Panamanian sovereignty over the bridge.

To many Members of the Congress and our people, the series of predictions by me seemed extraordinary. They are, I can assure, not the result of any so-called inside information or of the powers of a clairvoyant, but only the considered conclusions from the study of trend-forming developments and their projection into the future.

Nor is the fact that all of them materialized, essentially as foretold, any source of gratification to me. Rather, it is a cause for deep concern for the failure of the responsible agencies of our Government, the Congress, and the Executive, to take timely preventive measures instead of waiting until little hills become volcanoes and erupt in our faces.

Later in this address, I shall indulge in other predictions, affecting both the United States and Panama. In so doing, however, I wish to stress again that what I shall say is not as an enemy of Panama or its people, but as a friend of both, with their best interests ever before me. I shall speak realistically, for the problems involved are too grave to gloss over or ignore.

PANAMANIAN ASPIRATIONS AIDED BY DEPARTMENT OF STATE

What are the aspirations of Panama with respect to the Canal Zone and Panama Canal? Panamanian leaders and agitators have never disdained to publish their objectives. But no better summary of them has ever been made than that by Gilberto Arias, recently Secretary of Finance in the Cabinet of President Chiari, as quoted on March 19, 1963, in the isthmian newspaper, *Critica*. His words were:

In the future, with God's help, we will achieve our objective: that the Panama Canal be the property of Panamanians, under full and absolute jurisdiction of the Republic of Panama, maintained by Panamanians, operated by Panamanians, sanitized by Panamanians, and protected by Panamanians.

This concise statement, Mr. Speaker, must be accepted at its face value. Moreover, it is the end toward which every move in the relations between Panama and the United States has been made ever since the Suez Canal crisis of 1956 in a program of piecemeal liquidation, aided and abetted by certain elements in our Department of State.

How responsible officials of our Government can knowingly collaborate with Panamanian radicals to surrender more of our authority to a country, which since 1955, when sanitation in the terminal cities of Colon and Panama was returned to it, has not even succeeded in collecting its garbage, is incomprehensible.

Let us not be so naive as to think that those primarily responsible for this erosive process do not know what they are doing. They know precisely and seem to be bent on following the same path at Panama as they did in Cuba, which was featured by covert collaboration—Earl E. T. Smith, "The Fourth Floor," New York. Random House, 1962. The only difference is that in Cuba it was the friendly anti-Communist Cuban Government being undermined whereas in Panama it is the sovereignty of the United States over the Canal Zone Territory being assaulted.

Here again, Mr. Speaker, I would emphasize that the Republic of Panama grew out of the movement for the Panama Canal and not the reverse. The only advantage that Panama can claim as regards the canal is its geographical location, which advantage it never ceases to exploit in advancing its demands for increased benefits and sovereignty over the Canal Zone.

To make sure that there is no uncertainty as to what purpose the Panamanian Government is using all its energies to acquire, I shall quote its openly declared objectives, as stated in a report on September

20, 1960, to President Chiari by his Committee on International Politics. These demands included:

First. Raising the Panamanian flag in the Canal Zone.

Second. Equal salary treatment and job opportunities for Panamanians and North Americans.

Third. Raising the annuity to 20 percent of the gross income, with a guaranteed minimum of \$5 million.

Fourth. Setting the length of time for the annuity and cessation of the perpetuity clause.

Fifth. Mixed courts in the Canal Zone.

Sixth. Complete supplying by Panama to the zone market, including ships, and stopping of production activities in the zone.

Seventh. Recognition in the Canal Zone of exequaturs granted by Panama to foreign consuls.

Eighth. Use of Panamanian postage in the zone.

Ninth. Liquidation of the Panama Railroad.

Tenth. Establishment of Spanish as the official language of the Canal Zone along with English.

Eleventh. Panamanian jurisdiction in the zone over passengers and cargo coming into Panama and over ships flying the flag of Panama.

Twelfth. Granting to Panama of dock and port facilities, and at U.S. expense.

Thirteenth. Organization of Panama's civil defense at U.S. expense.

Fourteenth. Corridors, under Panamanian jurisdiction across the Canal Zone.

Fifteenth. Opportunities for Panamanian products in U.S. markets.

Sixteenth. Acceptance of compulsory jurisdiction of the World Court over controversies between Panama and the United States.

And, Mr. Speaker, I will give you one guess and only one as to what would happen in the decision of the World Court on the controversy between the great Republic of Panama and the United States of America.

Such demands, Mr. Speaker, are matters that would inevitably affect all interoceanic commerce that uses the Panama Canal and has to pay tolls. They more than justify the concise statement of former Finance Secretary Arias, previously quoted, and present grave questions to which the merchant marine of all nations simply cannot afford to be indifferent. Moreover, it is significant that the flag of Panama's new Independent Revolutionary Party carries 10 stars, the 10th star representing the Canal Zone.

No wonder that patriotic Americans in the Canal Zone and the United States have become alarmed for the security of this vital transportation artery and view with amazement what is now taking place.

BYPASSING OF CONGRESS BY INTERNATIONAL SOCIALISTS

As to the flag question previously mentioned, it will be recalled that the distinguished House Committee on Foreign Affairs, in early 1960, in anticipation of difficulties with respect to the flag question, conducted hearings on United States-Panama relations, when high executive officials and myself testified—hearings, January 12, 15, 19, 22, and February 2, 1960; also House Report No. 2218, 86th Congress.

The unanimous recommendation of the full committee was for a concurrent resolution expressing the sense of the Congress that any variation in the traditional interpretation of the treaties of 1903, 1936, and 1955 between the United States and Panama with reference to matters of territorial sovereignty shall be made only pursuant to treaty—House Concurrent Resolution 459, 86th Congress.

After an animated debate on February 2, 1960, the House adopted this resolution by the overwhelming vote of 381 to 12, which should have prevailed over the predilections of executive officials.

Transmitted to the Senate, this resolution was referred to the Committee on Foreign Relations, where, because of opposition from the Department of State, it was not reported to the Senate and died in the committee.

Notwithstanding the failure of the Senate to act, the magnitude of the House vote is significant, clearly reflecting the concern of our people for the security of the Canal Zone territory. It also demonstrates to the international infiltrators in the Department of State and their collaborators that these influences can never succeed in perpetrating their schemes with respect to the Panama Canal through normal procedures. They realize that they must bypass the Congress by means of a new canal treaty. This, they no doubt feel, can be pushed through, as was the 1955 treaty, without adequate debate, to continue the process or erosions that started with the 1936-39 treaty.

What a contrast has been the action of the Department of State in respect to West Berlin. For that city, Khrushchev has spoken publicly about replacing the flags of the United States, Britain, and France, with that of the United Nations but the Department of State correctly opposes striking the American flag there. Why did it urge striking it in the Canal Zone?

U.S. VITAL INTERESTS DISREGARDED

Though the writings on the diplomatic history of U.S. Caribbean and Isthmian Canal policies are voluminous, the truly vital interests of our country at Panama are seldom stated. Those who view the subject realistically emphasize the following major points:

First. Control of the maritime approaches to the Panama Canal, both Atlantic and Pacific.

Second. Maintenance of untrammelled sovereignty over the Canal Zone.

Third. Meeting our treaty obligations to maintain free and open transit for vessels of commerce and war of all nations on term of equality with tolls that are just and equitable.

Fourth. Civil protection of the Canal Zone from disorders and pestilence, originating in the terminal cities of Colon and Panama.

Fifth. Safeguarding the summit-level water supply as required for lockages and maintaining channel depths.

Sixth. Military and naval defense of the Panama Canal from aggression.

The foregoing points, Mr. Speaker, are not wanderings of someone's imagination, but conclusions developed from the study of history. Most of the present difficulties at Panama have stemmed from either ignorance of these fundamentals or a heedless disregard of them.

coupled with connivance on the part of international Socialist elements in our Government and those cooperating with them for the complete liquidation of U.S. control of the Panama Canal—a major object of Soviet policy.

The question arises who are these elements and why are they not eradicated? Supplying the answers are tasks that the Congress should undertake.

In this general connection, Mr. Speaker, it was Alger Hiss, when holding an important position in the Department of State in 1946, who, under article 73 of the U.N. Charter filed an administrative report with the United Nations listing the Canal Zone as an "occupied area." By thus minimizing U.S. sovereignty and supporting the Communist revolutionary conspiracy, this was a monstrous aggression upon our valid and unblemished title to that part of our territorial domain (Flood, "Monroe Doctrine or Khrushchev Doctrine," Congressional Record, Apr. 12, 1962). These facts in our history suggest the question as to whether there are yet Alger Hisses in the Department of State. If there are, let us clean them out.

In any event, the Congress and the Nation should know that since 1923 our Government has made no forthright public statement of policy with respect to the Panama Canal. The urgency for such a statement is more acute today than ever in our history.

LIQUIDATION OF PANAMA RAILROAD NARROWLY AVERTED

Among the most audacious attempts at liquidation in the Canal Zone was the example of the Panama Railroad as was evidently contemplated under the 1955 treaty. This effort, officially made on June 17, 1955, before the Committee on Merchant Marine and Fisheries by the then Governor of the Canal Zone, an active military officer, inspired that committee and other Members of the Congress to take the necessary measures to prevent it.

Notwithstanding the committee's objective, the first step in the railroad's liquidation was actually taken by awarding to Panama, without any compensating concession, over \$25 million worth of valuable property of the Panama Railroad, including its terminal freight yards and passenger stations in the cities of Colon and Panama. It was evidently in the minds of the schemers that, after surrendering the terminal facilities, the removal of the main line tracks would follow in due course and thus permit the construction of a truck highway on the roadbed, the effort for which was being sponsored by certain Panamanian interests and advanced by the then Governor of the Canal Zone. This was discussed and prevented by me as the result of hearings before my subcommittee of the Appropriations Committee for the Department of Commerce and related agencies, which included the Panama Canal government, and by the merest accident of a question I asked the then former Governor of the Canal Zone on the matter of trucks and the highway.

While the treaty power of our Government, consisting of the Executive and the Senate, was engaged in giving away the railroad terminals, the House, by conducting an independent investigation headed by an able railroad executive in the United States, a retired vice presi-

dent of the Pennsylvania Railroad, prevented taking up the main line tracks and the complete liquidation of the railroad itself.

Now, Mr. Speaker, we have a situation difficult for even the most credulous to comprehend—a railroad without its needed terminal facilities and without any substitution therefor. No wonder, Mr. Speaker, our diplomacy was fast becoming a laughing stock in the Western Hemisphere. No wonder our citizens kept demanding the elimination from the Department of State of the elements responsible for such diplomatic stupidity or downright disloyalty to the paramount interest of our country.

Mr. Speaker, it was the indicated congressional inquiry that saved the Panama Railroad. It was also this inquiry that caused some Members of the Congress present, including myself, to question the correctness of the "traditional" practice of appointing as governors of this great civil agency, known as the Panama Canal enterprise, only active officers trained for a military career. Moreover, the evidence indicates that had there been a capable business administrator heading this civil agency, the move to liquidate the railroad would never have been attempted. (See Committee on Merchant Marine and Fisheries, hearings on proposed abandonment of Panama Railroad, June 17, Dec. 7 and 8, 1955, pp. 33-36.)

PENALTIES FOR SURRENDERING AUTHORITY

The undertaking by the United States following the 1901 Hay-Pauncefote Treaty with Great Britain to construct and operate a trans-Isthmian canal was the culmination of an evolutionary process, involving most major historical occurrences in the Americas during the 18th and 19th centuries. Such an edifice cannot be demolished and swept into the ashcan of history with impunity.

Provisions in the 1903 treaty gave the United States the necessary authority to enforce sanitary ordinances and to maintain public order in the cities of Colon and Panama. Unfortunately, the right to intervene in the terminal cities, in event of domestic violence was abrogated at the specific insistence of Panama in the 1936 treaty and the authority of the United States to enforce sanitation was surrendered to Panama in 1955.

What have been the results? The most violent border incidents in isthmian history, which as previously shown, were accompanied by attempted mob invasions of the Canal Zone; and a deplorable breakdown in sanitation procedures, as evidenced by the failure of Panama to collect garbage, which is frequently piled high in the streets, causing Panamanian citizens to make vigorous protests to their government.

Again, Mr. Speaker, I would stress that these are facts and not mere carping criticisms. These facts are rooted in conditions that are inherent and serve to emphasize that where there is responsibility there must be adequate authority, such as provided by the 1903 treaty, or there will be chaos. Nor should it ever be overlooked that our country, notwithstanding its concessions to Panama, is still responsible. This responsibility must be faced; it cannot be evaded, for our obligations are to the entire world. We now have a total investment in the canal enterprise of more than \$1,500 million, the funds for which have been supplied by the American taxpayer. Panama, in its radical demands

does not offer a penny for reimbursement for these vast expenditures, but claims the right to take over the canal—lock, stock, and barrel—free from any obligation whatsoever. How can any Panamanian with a sense of justice favor such a demand and how can the free world approve it? Of course, the Communist powers would approve, because without delay they would fill the vacuum thus created and take over the canal itself.

Nor should our Government be deluded with the idea that its actions at Panama are not being observed by interested nations. In Great Britain, one of the signatories to the 1901 Hay-Pauncefote Treaty, it is well understood, as shown by a recent story in the Times of London, which emphasized that aid to Panama is “no substitute for a firm policy and this apparently the United States lacks in its dealing with Panama.” Quoted from Miami (Fla.) Herald, March 14, 1963.

CANAL ZONE CITIZENS APPEAL TO THE COURTS

By the fall of 1962, the process of erosion of our rights, power, and authority, symbolized by the formal display of the Panama flag in the Canal Zone wherever the U.S. flag is flown by civilian authorities as increased evidence of Panamanian sovereignty, had gone so far that our citizens there decided to act, for they understand the significance of such display far better than temporary custodians of the governorship.

In a desperate effort to protect our Nation's interests, they organized at their own expense to bring court action to test the legality of the formal display of the Panama flag over the Canal Zone Territory of the United States. One of them, Gerald A. Doyle, Jr., Chief Architect of the Panama Canal, brought suit in the U.S. District Court of the Canal Zone against Gov. Robert J. Flemming, Jr., of the zone and Secretary of the Army, Cyrus R. Vance, in an effort to end this symbol of surrender by the United States to the mob-ruled Panama Government.

PANAMANIAN REACTION TO FLAG SUIT

Mr. Speaker, I would invite the attention of the Congress to another angle of the sovereignty question that is most significant and illuminating.

Reacting to the suit in the Canal Zone court, a Panamanian citizen, on January 9, 1963, filed a suit in the Supreme Court of Panama that aims to establish that the ratification of the 1903 treaty by executive decree of the Panamanian revolutionary junta, was illegal and hence null and void. If sustained by the Panama Supreme Court, it would logically follow by the same token that the 1903 revolution, by which Panama gained its independence from Colombia, was likewise null and void, that Panama is still a department of the Republic of Colombia, and that Colombia and not Panama, is the sovereign of the isthmus.

Such eventuations, Mr. Speaker, would not be improbable, because the original guarantee by the United States of Panamanian independence that was provided in article I of the 1903 treaty, at the specific request of Panama, was abrogated in the 1936 treaty for the reason that Panama felt that it no longer needed such guarantee.

This leaves the way open for Colombia to regain its territory lost throughout the political events of 1903 out of which came the Republic of Panama and the Panama Canal. Realistically, and I speak without intended offense, how long could Panama continue as a free and independent nation after liquidation of U.S. control and operation of the Panama Canal?

CANAL USERS HAVE MOST AT STAKE

The Panama Canal enterprise, under treaty and law, operates on a self-sustaining basis, with tolls prescribed at rates calculated to cover costs.

In this connection, Mr. Speaker, I would invite attention to the fact that the users of the canal, which have to bear increases in costs of operation through increased tolls have the most to lose by what could happen at Panama. Unless the users of the canal are to suffer unpredictable consequences, the crisis on the isthmus must be met, and met forthrightly and adequately, and without further temporization or delay; else the entire course of history will be changed, and changed disastrously.

The situation in the Canal Zone is just that grave and nothing less; and our policies of diplomatic placation and lack of judgment and vision have largely contributed to the crisis which has thus arisen.

All claims by Panama of any type of sovereignty on the Canal Zone, except that of reversionary character, must be repudiated. In so doing, our Government must make clear that the sovereign rights, power, and authority of the United States are not negotiable and that there will be no treaty with Panama liquidating or changing the basic sovereignty provisions.

In this general connection, I would invite attention that on March 20, 1963, at San Jose, Costa Rica, the President of Panama and the United States spent 41 minutes in conference. As far as is known, no report of this meeting was published in the United States, but the press of Panama in describing its results quoted President Chiari as having expressed his satisfaction. This, and other information, indicates that President Chiari, now being opposed by six of Panama's political parties, is pressing desperately to secure more benefits from the United States so that his parties will not be defeated in the coming Panamanian election and that he will be able to dictate his own successor.

GOVERNOR OF CANAL ZONE ATTACKS JURIDICAL FOUNDATION OF PANAMA CANAL

In December of 1962, Mr. Speaker, I visited the Canal Zone. Making it a point to seek enlightenment from all possible sources—official and unofficial, civilian and military, high and low—I found general alarm on the part of our citizens at the conduct of the Governor of the Canal Zone. This alarm, Mr. Speaker, was not surprising but the natural result of what has been transpiring. I share the deep concern of our residents in the Canal Zone for the same historic reasons.

There was more than a scintilla of Clive of India. I could see the East India Co. all over the place, with thousands of Americans being considered and rapidly considering themselves as colonials from the home office. This apprehension is not good for the canal, not good for Panama, and not good for the United States.

At a press conference held at the Tivoli hotel, I learned about an address given on December 10, 1962, shortly before my arrival, by the Governor before the Panama section of the American Society of Civil Engineers, which includes Panamanian engineers among its membership.

Imagine my surprise on reading this address, which began with an apology for what has made our country great and an expression of his low regard for engineers. Not only was this address the most disconcerting ever publicly uttered by a Governor, but he seems to have reveled in its flavor.

Though it has many points that could be challenged, it is important to note that his address first, reflected the philosophy of international Socialist elements in, and on the fringes of our public affairs; second, advocated what amounts to a permanent state of social revolution, which advocacy is not a valid function of a Governor of the Canal Zone; third, belittled the constitutional foundations of our country and urged unconditional exercise by Federal agencies of power without regard to constitutional limitations; fourth, condemned the past in our history without discriminating between that which is great and that which is ephemeral; fifth, failed to present the Constitution in its true light as the great contractual document under which the Thirteen Original States created three separate and independent agencies of government with limited powers; and sixth, concluded with an illiberal assault upon those who differ with his views as having small minds bent on preserving the status quo, and thus, in effect, as being domestic enemies as dangerous to the United States as foreign enemies.

Mr. Speaker, I wish to emphasize that this address by the Governor of the Canal Zone, who was at that time, and still is, a member of task forces engaged in important diplomatic discussions with Panamanian officials, was interpreted by many who heard it as first, a deliberate administrative attack against the present diplomatic and juridical foundation of the Panama Canal enterprise; and second, as an attempted public intimidation of those standing up for the sovereign rights, power, and authority of the United States over it. Thus, this shocking address served to invite further aggressions against the sovereignty of the United States over the Canal Zone territory.

CIVILIAN GOVERNOR NEEDED

It will be recalled that President Chiari of Panama visited Washington June 12-13, 1962, to present points of dissatisfaction over the basic 1903 Panama Canal Treaty, and then agreed to appoint representatives to discuss them. The Governor of the Canal Zone and the U.S. Ambassador to Panama were designated to form the previously mentioned task force to represent the United States in the ensuing consultations.

In the months following, there were many rumors of extreme demands by Panama, often denied at the time and later proved true by events. On January 10, 1963, the Department of State, in a joint communique, announced agreement by the United States-Panama representatives on the following:

First. That the flag of Panama would be flown with the U.S. flag on land wherever it is displayed by civil authorities.

Second. That foreign consuls may function in the Canal Zone on the bases of exequaturs issued by the Government of Panama.

Third. That Panamanians will have equal opportunities with the U.S. citizens at all levels, with social security benefits from the United States.

Fourth. That the U.S. representatives proposed the use of Panamanian postage stamps in the Canal Zone.

Fifth. That the representatives of the two countries discussed the need of pier facilities for Panama.

The latest news from the zone is that Panama has demanded jurisdiction of a corridor across the zone from Arraijan to Panama City, including the Thatcher Highway and the Thatcher Ferry Bridge, both entirely within the zone. Though this report may be denied, I can assert on the floor of the House that there have been discussions of this demand and that a survey has even been made. What is the meaning of this secrecy?

This vulnerable structure across the Pacific entrance to the canal would be an obvious point for attack in event of hostilities as a means of blocking the channel. Even to consider the idea of its transfer to Panama is shocking.

In addition, I can state without fear of successful contradiction that the Committee on Merchant Marine and Fisheries is now engaged in an effort to prevent the leasing of certain piers, repair yards, and the small drydock at Balboa to the Republic of Panama—H.R. 3999, 88th Congress. What further evidence is required to show the sustained program of cannibalization of the Panama Canal that has been, and still is going on in the Canal Zone? Why is it, Mr. Speaker, that these facts, which are well known on the isthmus, are denied to the people of the United States?

The surrenders, already made and contemplated, all without the authority of the Congress are not meaningless gestures of diplomatic pacification, but acts of aggression by public officials of our Government against the treaty-based sovereign rights, power, and authority of the United States. As such, they are fully in line with the long-range Soviet program for conquest of the Caribbean.

* * * * *

At this point, Mr. Speaker, I wish to associate myself with those in the Congress who wish the President, in line with the philosophy of the 1950 recommendations of the Bureau of the Budget to appoint an experienced and capable business administrator to head the Panama Canal—House Document 460, 81st Congress. Such business type organization was originally desired by President Woodrow Wilson, who was prevented from bringing it about by the opening of World War I. In any event, Mr. Speaker, the original reasons for designating only active officers of the Army as governors of this civilian agency no

longer apply and the need in completing the reorganization for the Panama Canal enterprise started in 1950, with transfer of its supervision from the Secretary of the Army to the Secretary of Commerce.

Before concluding this matter, Mr. Speaker, I wish to express my admiration for the way our patriotic citizens on the isthmus have risen to the defense of our legal position in the zone.

Thank God for Theodore Roosevelt who made the Panama Canal possible. Thank God for Gerald A. Doyle, Jr., and his fearless leadership. Thank God for the Canal Zone civil employees who are supporting him. And thank God for the Constitution of the United States, under which the founders of our Nation made it possible for American citizens to defend, by lawful means, our country's just interests wherever they may be.

CONGRESS MUST SAVE THE PANAMA CANAL

The court fight now being waged by frustrated and beleaguered American citizens in the Canal Zone has heroic aspects, suggestive of the plight of those barricaded in the legation compound of Peiping, China, during the Boxer Insurrection in 1900, while awaiting rescue by expeditionary forces. The rescue in the Canal Zone must be effected by the Congress as the ultimate authority under the Constitution of the sovereign people of our country, while there is still time.

As a start in this direction, my distinguished colleague from Missouri [Mr. Cannon], on March 4, 1963, introduced House Concurrent Resolution 105, which aims to clarify and make definite the fundamental policy of the exclusive sovereign control by the United States over the Panama Canal enterprise and to lead to the repudiation of all actions by the executive counter to that policy, including the ill-advised measure of hoisting the Panama flag over the Canal Zone as an evidence of Panamanian sovereignty.

Mr. Speaker, the situation that I have developed at such length today is not the result of illusory impulses, but of considered conclusions derived from years of study and observation, which I am ready to uphold on every appropriate occasion. Furthermore, the issues are basic and must be met on their merits and not used to obscure weak, mistaken actions on the part of elements in our Government.

Over a period of years, I have received many letters from our citizens from various parts of our Nation. Though the views held by them are seldom seen in the mass news media, I know that they understand what is taking place at Panama and realize the significance of the control of the Panama Canal for the future of the United States and the entire world.

Although I could quote hundreds of letters from individuals and organizations in these regards, I shall not do so. But I do wish to state that among the strongest supporters for maintaining the untrammelled sovereignty of the United States in the Canal Zone are members of our great labor and patriotic organizations, such as the AFL-CIO and the American Legion. They view the Panama Canal as the highest achievement of American statesmanship, genius, and labor. They realize the mounting danger and are determined that control of the canal will not be wrested from our country.

Mr. Speaker, some of these organizations have taken their positions as regards continued U.S. sovereignty over the Canal Zone by means of letters and resolutions, which are quoted in the documentation for my remarks. Because of the importance of their stands in the evolving lineup in the United States on the Panama Canal sovereignty issue, I can think of no better way to support their stands than to make known to the Congress and the Nation the views of such eminent legal authority as former Secretary of State Charles Evans Hughes when faced with a similar crisis at Panama.

On December 15, 1923, Secretary Hughes, in response to demands by Panama for increased sovereignty and increased sovereignty attributes over the Canal Zone, spoke with a refreshing degree of candor. His words, which should ring throughout the world, were:

Our country would never recede from the position which it had taken * * * in 1904. This Government could not, and would not, enter into any discussion affecting its full right to deal with the Canal Zone and to the entire exclusion of any sovereign rights of authority on the part of Panama (Foreign Relations, 1923, vol. III, p. 684). It was an absolute futility for the Panamanian Government to expect any American administration, any President or any Secretary of State, ever to surrender any part of these rights which the United States had acquired under the treaty of 1903.

Mr. Speaker, I would state that from time to time, since the birth of freedom, parliamentary bodies have preserved the just rights of a nation against the misguided exercise of executive power. In the present juncture, it seems that the legislative branch of our Government must similarly act to uphold and maintain the unalienable rights of our Nation in regards to the great Isthmian waterway.

The text of House Concurrent Resolution 105 and other documentation follow:

Mr. Speaker, I ask unanimous consent to revise and extend my remarks, to include a resolution and certain other material in connection with these remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

(The matter referred to follows:)

HOUSE CONCURRENT RESOLUTION 105

Whereas the United States, under the Hay-Bunau-Varilla Treaty of 1903 with Panama, acquired complete and exclusive sovereignty over the Canal Zone in perpetuity for construction of the Panama Canal and its perpetual maintenance, operation, sanitation, and protection; and

Whereas all jurisdiction of the Republic of Panama over the Canal Zone ceased on exchange or ratifications of the 1903 treaty on February 26, 1904; and

Whereas since that time the United States has continuously exercised exclusive sovereignty and control over the Canal Zone and the Panama Canal; and

Whereas where responsibility is imposed there must be given for its effectuation adequate authority; and with respect to the Panama Canal the treaty of 1903 so provided; and

Whereas the United States has fully and effectively discharged all its treaty obligations with respect to the Panama Canal and the only legitimate interest that Panama can have in the sovereignty of the Canal Zone is one of reversionary character that can never become operative unless the United States should abandon the canal enterprise; and

Whereas the policy of the United States since President Hayes' message to the Congress on March 8, 1880, has been for an interoceanic canal "under American control," that is to say, under the control of the United States; and

Whereas the grant by Panama to the United States of exclusive sovereignty over the Canal Zone for the aforesaid purposes was an absolute, indispensable condition precedent to the great task undertaken by the United States in the construction and perpetual maintenance, operation, sanitation, and protection of the Panama Canal, for the benefit of the entire world; and for which rights the United States has paid the Republic of Panama the full indemnity and annuities agreed upon by the two nations; and

Whereas, on February 2, 1960, the House of Representatives in the Eighty-sixth Congress, by an overwhelming vote, approved House Concurrent Resolution 459, favorably reported by the Committee on Foreign Affairs, as follows:

"Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that any variation in the traditional interpretation of the treaties of 1903, 1936, and 1955 between the United States and the Republic of Panama, with special reference to matters concerning territorial sovereignty shall be made only pursuant to treaty."

Whereas, because of continuing claims of sovereignty over the Canal Zone by Panama which, if granted, would liquidate United States control of the Panama Canal and Canal Zone, a further declaration by the Eighty-eighth Congress is deemed necessary and timely: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (1) the United States, under treaty provisions, constitutionally acquired and holds, in perpetuity exclusive sovereignty and control over the Canal Zone for the construction of the Panama Canal and its perpetual maintenance, operation, sanitation, and protection; and

(2) That there can be no just claim by the Republic of Panama for the exercise of any sovereignty of whatever character over the Canal Zone so long as the United States discharges its duties and obligations with respect to the canal; and

(3) That the formal display of any official flag over the Canal Zone other than that of the United States is violative of law, treaty, international usage, and the historic canal policy of the United States as fully upheld by its highest courts and administrative officials; and will lead to confusion and chaos in the administration of the Panama Canal enterprise.

(4) That the provisions of H. Con. Res. 459, Eighty-sixth Congress, are reiterated and reemphasized.

[From the Republic of Panama Sunday American, Mar. 17, 1963]

FLEMING WOULD SLAY "SACRED COWS"—HAS STRONG FEELINGS ABOUT DOYLE

Canal Zone Gov. Robert J. Fleming, Jr., was quoted yesterday by the Scripps Howard wire service as saying "I'm in favor of slaughtering some sacred cows."

The statement was quoted in dispatch from Jim Lucas, one of a group of 21 U.S. newsmen visiting the isthmus on a tour of U.S. Army installations, who also heard Fleming denounce those Americans in Panama and in the United States who believe "any accommodation to give Panamanians a better share (of Panama Canal benefits) is a sellout of vital American interests."

Fleming was also quoted in the dispatch as saying that he has "very strong feelings" about the suit filed against him by Panama Canal Chief Architect Gerald A. Doyle, and as declaring that in the military "you could bust a man like that."

Lucas' dispatch reads as follows:

"The Governor of the Panama Canal Zone today denounced those in Panama and the United States," he said, believe "any accommodation to give the Panamanians a better share is a sellout of vital American interests."

"I'm in favor of slaughtering some sacred cows," Maj. Gen. Robert J. Fleming, Jr., President of the Canal Company as well as Governor, said in an angry statement to 21 visiting American newsmen.

Among them:

1. The "shibboleth" that any agreement between the United States and the Republic of Panama to settle differences is a form of appeasement.

2. A discriminatory wage scale which has given 16 percent of the canal employees, 98 percent of them Americans, the bulk of the payroll.

3. "Blind adherence to a treaty signed 60 years ago" and "strictly legalistic interpretation" of its provisions.

Fleming said he had "always believed these things and it is high time somebody said them."

"Here is where we, the United States, became a world power," he said. "The Panama Canal is a technical achievement of which every American can be proud. But socially, there is sand in our gears. We have lagged behind the rest of the United States, and we've got to catch up."

Fleming said any progress in betterment of relations between Americans and Panamanians "has been and will be resisted by small groups having a vested interest in the status quo." He said these people gain an audience they do not deserve. He said they undo the good done by thousands of others, and thus serve our enemies. He said there are some Members of Congress who "obviously" share their sentiments and work with them.

He refused to name any particular Congressman, but Representative Clarence Cannon, Democrat, of Missouri, is author of a resolution which would require Fleming to haul down the Panamanian flag now flying over portions of the zone.

Fleming said he has "very strong feelings" about a suit filed against him in Federal court here by his Chief Architect, Gerald Doyle of Cleveland, Ohio. Doyle seeks a writ of mandamus to force the Governor to haul down the Panamanian flag, forbid the use of Panamanian stamps in the Canal Zone (something Fleming said he "hopes" to do soon) and block an agreement now being negotiated whereby Panama's Foreign Ministry would accredit foreign consulates in the zone subject to our veto.

Fleming conceded Doyle was the kind of American he had in mind. In the military, he said, "you could bust a man like that" but he is powerless to do anything about zone employees who have special status.

In a separate interview, Doyle said a "Gerald Doyle Defense Committee" in the zone has raised \$8,000 to finance his litigation to the Supreme Court, if necessary. He said, however, he merely seeks to prevent Fleming's doing those things without congressional approval which he said is required "if our Constitution means anything."

Fleming and Doyle want to "block (U.S. Ambassador) Joe Farland and I from carrying out any agreements by the executive branch to improve relations with Panama." He said it is important that public opinion in the United States be marshalled in favor of "treating Panamanians like people."

Small groups of oldtime canal employees, he said, are "insulated from the facts of life which are familiar to other Americans through daily exposure."

"We are not going to solve our problems by listening to these people," he said.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., October 26, 1962.

HON. DEAN RUSK,
Secretary of State, Department of State,
Washington, D.C.

DEAR MR. SECRETARY: A news dispatch from Balboa, C.Z., in the New York Times of October 7, 1962, states that starting with the dedication of the Thatcher Ferry Bridge across the Panama Canal on October 12, the flags of both Panama and the United States will fly

side by side over the bridge and at several other spots in the Canal Zone.

Information is respectfully requested of the authority for this action.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

DEPARTMENT OF STATE,
Washington, D.C., November 8, 1962.

DEAR CONGRESSMAN FLOOD: Thank you for your letter of October 26, 1962, addressed to Secretary of State Rusk concerning the display of the flags of Panama and the United States on the Thatcher Ferry Bridge in the Canal Zone.

As you know, on September 14, 1960, President Eisenhower directed that the flag of the Republic of Panama be displayed, along with the flag of the United States, at a particular location in the Canal Zone. This decision was made voluntarily and unilaterally by the United States as a gesture of goodwill toward Panama. The concept of "titular sovereignty," expressed by Secretary of War Taft in 1906, was affirmed in 1960 by President Eisenhower. Since the 1960 action the Panamanian authorities have expressed a desire to have their flag fly in a similar manner at other sites in the Canal Zone.

In June of this year the subject of flags was discussed by President Kennedy and President Chiari during their talks in Washington, D.C. As stated in the joint communique of June 13, the two Presidents agreed that their representatives would arrange for the flying of Panamanian flags in an appropriate way in the Canal Zone. It is on the basis of President Kennedy's publicly announced decision that arrangements were made to fly additional Panamanian flags alongside the U.S. flag at certain sites on land in the Canal Zone.

I hope the above information will be useful to you. If I may be of any further assistance, please do not hesitate to call on me.

Sincerely yours,

FREDERICK G. DUTTON,
Assistant Secretary.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., January 7, 1963.

HON. DEAN RUSK,
*Secretary of State,
Department of State,
Washington, D.C.*

DEAR MR. SECRETARY: The Department of State, in its letter of November 8, 1962, advised me that the concept of Panamanian "titular sovereignty" over the Canal Zone, as expressed in 1906 by Secretary of War Taft and as affirmed in 1960 by President Eisenhower, is the basis for President Kennedy's June 13, 1962, agreement to fly additional Panamanian flags in the Canal Zone alongside those of the United States. This statement, unless amplified by historical facts, is not only incomplete but also misleading as to the real intent of Secretary Taft concerning sovereignty over the Canal Zone.

To supply the essential additional facts, attention is respectfully invited to the following:

October 24, 1904: In a comprehensive reply to a note of the Panamanian Government, Secretary of State Hay mentioned the "titular sovereignty of the Canal Zone" but asserted that such sovereignty is—mediatized by its own acts, solemnly declared and publicly proclaimed by treaty stipulations, induced by a desire to make possible the completion of a great work which will confer inestimable benefit on the people of the isthmus and the nations of the world (*Foreign Relations*, 1904, pp. 613-630).

January 12, 1905: When discussing the question of jurisdiction over the Canal Zone in a report to President Theodore Roosevelt, Secretary of War Taft explained that—

while we have all the attributes of sovereignty necessary in the construction, maintenance, and protection of the canal, the very form in which these attributes are conferred in the treaty seems to preserve the titular sovereignty over the Canal Zone in the Republic of Panama, and * * * we have [had] conceded to us complete judicial and police power over the zone and the two ports at the ends of the canal (hearings before Senate Committee on Inter-oceanic Canals, 1907, vol. III, p. 2399).

April 18, 1906: When testifying before the Senate Committee on Inter-oceanic Canals, Secretary Taft commented that article III of the 1903 Canal Treaty is—

peculiar in not conferring sovereignty directly upon the United States the powers which it would have if it were sovereign. This gives rise to the obvious implication that a mere titular sovereignty is reserved in the Panamanian Government (*ibid.*, p. 2527).

February 9, 1909: In an address at New Orleans, President-elect Taft stated that, under the 1903 treaty—

we are entitled to exercise all the sovereignty and all the rights of sovereignty that we would exercise if we were sovereign, and Panama is excluded from exercising any rights to the contrary of those conceded to us. Now that may be a ticklish argument, but I do not care whether it is or not. We are there. We have the right to govern that strip, and we are going to govern it. And without the right to govern that strip, without the power to police it, and without the power to make the laws in that strip bend, all of them, to the construction of the canal, we would not have been within 2 or 3 years, hardly, of where we are in the construction.

November 16, 1910: When attending a banquet given by the President of Panama in the capital of that country, President Taft made this significant statement:

We are here to construct, maintain, operate, and defend a world canal, which runs through the heart of your country, and you have given us the necessary sovereignty and jurisdiction over the part of your country occupied by that canal to enable us to do this effectively (*Canal Record*, vol. IV, [Nov. 23, 1910], p. 100).

December 5, 1912: President Taft in an Executive order, pursuant to the Panama Canal Act of 1912 and in conformity with the 1903 treaty, decreed that:

All land and land underwater within the limits of the Canal Zone are necessary for the construction, maintenance, operation, protection, and sanitation of the Panama Canal.

October 15, 1923: When the Minister of Panama brought up the subject of sovereignty over the Canal Zone with Secretary of State Charles Evans Hughes, the latter stated:

The grant to the United States of all the rights, power, and authority which it would possess if it were sovereign of the territory described, and to the entire

exclusion of the exercise by Panama of any such sovereignty, is conclusive upon the question you raise. The position of the Government upon this point was clearly and definitely set forth in the note of Mr. Hay * * * of October 24, 1904 (Foreign Relations, 1923, vol. II).

December 15, 1923: In a conversation with the Minister of Panama, Secretary Hughes reiterated this stand, declaring with refreshing candor that the U.S. Government—

would never recede from the position which it had taken in the note of Secretary Hay of 1904. This Government could not and would not enter into any discussion affecting its full right to deal with the Canal Zone under article III of the treaty of 1903 as if it were sovereign of the Canal Zone and to the entire exclusion of any sovereign rights or authority on the part of Panama (*ibid.*, p. 684).

Moreover, Secretary Hughes added:

It was an absolute futility for the Panamanian Government to expect any American administration, no matter what it was, any President or any Secretary of State, ever to surrender any part of these rights which the United States had acquired under the treaty of 1903.

In addition to the foregoing, the fact that U.S. sovereignty over the Canal Zone was meant to be absolute was also stressed in 1913 by Bunau-Varilla, who, as Minister of Panama in 1903–04, had been the principal draftsman of the 1903 treaty. He stated:

After mature thought, I recognized that if I enumerated the various attributes of sovereignty granted, I ran the risk of seeing in the (U.S.) Senate, some other attributes asked for. To cut short any possible debate, I decided to grant a concession of sovereignty en bloc (Bunau-Varilla, as quoted by Earl Harding, "The Untold Story of Panama," New York: The Bookmaker, 1959, p. 39).

Accordingly, the formula adopted by the duly accredited representatives of the United States and Panama was that of exclusive sovereignty as conferred in article III. The validity of this formula has been confirmed in a series of U.S. court decisions. It would thus appear that, if the term "titular sovereignty," has any meaning at all, it is in the nature of a reversionary interest in the sole event the United States should fail to meet its treaty obligations to maintain and operate the Panama Canal. It can mean nothing more than this for the United States cannot operate and defend the canal enterprise with less than exclusive sovereignty. There must be authority where there is responsibility.

In these connections, I would also invite attention to the following:

Hearings before the House Subcommittee on Inter-American Affairs on U.S. relations with Panama, January 12, 15, 19, 22, and February 2, 1960.

Debate on Panama-United States relations, Congressional Record, February 2, 1960, pages 1643–1652.

House Concurrent Resolution 459, 86th Congress. (See H. Rept. 2218, 86th Cong., Aug. 31, 1960.)

This resolution (H. Con. Res. 459, 86th Cong.), which aimed at preventing the formal display of the Panama flag in the Canal Zone except as may be authorized by treaty, was adopted on February 2, 1960, by the House, with an overwhelming vote of 381 to 12. The measure was transmitted to the Senate where it was referred to the Committee on Foreign Relations but, for reasons never publicly stated, was not acted upon by the Senate.

In addition to adopting the flag resolution, the House of Representative, on February 9, approved the Gross amendment to the 1961 Department of Commerce Appropriation bill, which provision prohibited use of funds thus appropriated for display of the Panama flag in the Canal Zone. This measure became law.

These actions in the legislative branch in 1960, House Concurrent Resolution 459 and the Gross amendment, made clear the position of the Congress that acceding to demands for display of the Panama flag in the zone would constitute a "major departure from established policy and 'should not be accomplished through Executive fiat.'" President Eisenhower's voluntary and unilateral action on September 17, 1960, directing the display of the Panama flag over the Canal Zone territory, went beyond the authority conferred on the executive branch by the Congress. This striking of the U.S. flag in the zone led me to issue a special press release on September 21, 1960 (Congressional Record, Jan. 4, 1961, p. 86).

All of the sources and citations mentioned in the foregoing must be well known in the Department of State. If the actual records of the issue were not presented to successive Chief Executives by the responsible officials of the Department, they were gravely derelict in the performance of their duties to protect the interests of our country. It is upon the Congress that the Constitution conferred the power to declare war, the supreme act in defense of the national interest; and if the Congress has this power, it has the last word of authority in defining what the national interest is, was, or will be. No one of the creatures set up by the Congress, and by it with the means to operate; namely, the executive departments or agencies, may go beyond, above, below, or behind the precise definition of the national interest whenever the Congress chooses to define it with precision. And rarely, Mr. Secretary, has the Congress defined the national interest with more force and with greater precision than in regard to the untrammelled exercise by the United States of its sovereign rights in the Canal Zone. No refinement by Executive rhetoric can change the explicit definition of the national interest exercised by the Congress in this regard.

Moreover, the Canal Zone is not an "occupied area" subject to Executive disposal, but a portion of the territorial domain of the United States acquired in 1904 pursuant to law and treaty. (See "Panama Canal Zone: Constitutional Domain of the United States," World Affairs, fall, 1958.) As such, it is virtually a part of the "coastline of the United States."

I assert that the Department of State's interpretation of the statement of Secretary Taft in 1906 so as to justify the action of the Executive in 1962 to authorize the flying of additional Panamanian flags in the Canal Zone is wholly mistaken. In any event, the ordering of such display was an arbitrary assumption of authority, subject to judicial review as to its validity.

The flag of a nation, when permanently flown, has only one meaning and that is sovereignty; and this is the way in which the display of the Panamanian flag over the Canal Zone is interpreted at Panama

and elsewhere by Marxist-socialistic elements hostile to the United States. Nor should it ever be overlooked that Soviet strategy for conquest of the sea aims at gaining control of key water routes: namely, the Skagerrack, Straits of Gibraltar, Dardanelles, Suez Canal, Straits of Malacca, and the Panama Canal. Thus, the Cuban crisis has been only an incidental element in the program to take over the entire Caribbean, in which movement the Panama Canal has long been, and still is, the key target.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

DEPARTMENT OF STATE,
Washington, D.C. February 5, 1963.

DANIEL J. FLOOD,
House of Representatives.

DEAR CONGRESSMAN FLOOD: Thank you for your letter of January 7, 1963 concerning the historical background of sovereignty over the Canal Zone and your views on the flying of the Panamanian flag alongside the United States flag at certain sites in the Canal Zone.

The references cited by you have in the past served as bases and guides for decisions and they will be kept available for continued use. The Department of State in carrying out its responsibilities will continue to be governed by duly constituted authority and the expressed policy designed to safeguard U.S. national interests; these conditions were set forth in two of my previous letters both dated November 8, 1962, in response to your inquiries of October 9 and 26, 1962.

Your continued interest in United States-Panamanian relations and operation of the Panama Canal is greatly appreciated. If I may be of additional assistance in this matter, please do not hesitate to call on me.

Sincerely yours,

FREDERICK G. DUTTON,
Assistant Secretary
(For the Secretary of State).

JOINT COMMUNIQUE AND AIDE MEMOIRE RESULTING FROM DISCUSSIONS
IN PANAMA BETWEEN UNITED STATES AND PANAMANIAN REPRESENTATIVES

President John F. Kennedy and President Roberto F. Chiari of the Republic of Panama agreed, during President Chiari's visit to Washington on June 12-13, to appoint high-level representatives to discuss points of dissatisfaction with provisions of the United States-Panama Treaty governing the Panama Canal. The results of the discussions in Panama, which are continuing, are summarized in the following joint communique and aide memoire:

JOINT COMMUNIQUE

The representatives of the Governments of the Republic of Panama and of the United States of America, appointed to discuss points of dissatisfaction in United States-Panamanian relations with regard to the Canal Zone have periodi-

cally met during the last 5 months. Various aspects of pending questions have been discussed up to the present, with the following results:

First. It has been agreed that the flag of the Republic of Panama will be flown together with the flag of the United States of America on land in the Canal Zone where the flag of the United States of America is flown by civilian authorities. Private organizations and persons in the Zone are free to display flags at will over their places of residence or business. Other aspects of the flag question will be discussed later.

Second. Foreign consuls, on the basis of exequaturs issued by the Government of Panama and, in accordance with procedures and understandings which have been agreed upon by the Government of Panama and the Government of the United States, may function in the Canal Zone. Subject to these procedures and understandings the U.S. Government will cease issuing documents of exequatur.

Third. The representatives of both Governments have discussed labor problems relating to Panamanian citizens who work in the Canal Zone. Special attention has been devoted to the subject of wage scales, equal opportunities for Panamanian and U.S. citizens at all levels, and social security benefits. All these problems continue to be under discussion.

Fourth. The representatives of Panama submitted for discussion the question of using Panamanian postage stamps in the Canal Zone postal system. The U.S. Government has proposed the use of Panamanian stamps in the zone in accordance with technical arrangements now under consideration and in conformance with international postal standards.

Fifth. In accordance with instructions, the representatives have discussed Panama's need for pier facilities and have visited the present pier facilities in Cristobal. This subject continues to be under discussion.

The representatives of the Governments of the United States of America and of the Republic of Panama will continue their present discussions aimed at finding solutions to other problems which remain unresolved.

The discussions are continuing in the spirit of the joint communique issued by the President of Panama and the President of the United States of America at the end of the visit which the President of Panama made to Washington in June of last year.

From time to time additional joint communiqués outlining the progress of the discussions will be issued.

HAIDE MEMOIRE

JANUARY 8, 1963.

With reference to the conversations between His Excellency the Minister of Foreign Affairs and the American Ambassador concerning the meeting on September 11, 1962, of the United States and Panamanian representatives to discuss improvement of United States-Panamanian relations with regard to the Canal Zone, His Excellency will recall that the following decision was reached.

It was agreed that the practice heretofore followed on the part of the United States with respect to the issuance of exequaturs for use in the Canal Zone would be changed as follows:

The U.S. Government would not be agreeable to the exercise of consular functions by a consular officer from a government not recognized by the United States. Also, the Government of the United States will notify the Government of Panama and will prohibit a consular officer from acting in the Canal Zone if, for example, in the opinion of the U.S. Government, a situation arises in the future in which a consular officer accredited by Panama is a security risk, or his functioning would interfere with the operation, maintenance, or defense of the canal.

Hereafter, when the Government of Panama has on request issued an exequatur to a consular officer to function in Panama, and has notified the Department of State to that effect, the Department of State, providing it has no objection in accordance with the preceding paragraph, will inform the Government of Panama by note that said consular officer may function in the Canal Zone, and the Government of Panama will so inform said consular officer; in the event the Department of State objects in accordance with the preceding paragraph, information to that effect will be supplied the Government of Panama and the consular officer may not undertake to perform consular functions in the Canal Zone.

RESOLUTION 230 OF THE 44TH ANNUAL CONVENTION OF THE AMERICAN
LEGION, LAS VEGAS, NEV., OCTOBER 9-11, 1962

*Resolution opposing surrender of U.S. jurisdiction over the Canal
Zone and the Panama Canal*

Whereas more than 50 years' experience in the construction, maintenance, operation, sanitation, and protection of the Panama Canal, in a region of political instability, has completely established the wisdom of the 1903 treaty provisions for its exclusive control by the United States in perpetuity as indispensable for safeguarding the vital interests of our country and all free nations; and

Whereas a series of surrenders to successive demands by the Republic of Panama, through treaties and executive agreements, and finally, by Executive order on September 17, 1960, to authorize display of the Panamanian flag over the zone (issued contrary to the overwhelming vote of the House of Representatives) has seriously weakened our legal position on the isthmus; and

Whereas, notwithstanding solemn treaty obligations to maintain and operate the Panama Canal, the President has acceded to recent Panamanian demands for general treaty revisions that aim not only further to weaken the rights, power, and authority of the United States on the isthmus, but also to set a time for turning over control of the Panama Canal and the Canal Zone to Panama: Now, therefore, be it

Resolved, by the 44th Annual National Convention of the American Legion, assembled in Las Vegas, Nev., October 9-11, 1962, That the American Legion reaffirms the position expressed in resolution 251, adopted by the American Legion at its 43d national convention, in Denver, Colo., September 11-14, 1961, which is:

1. That the United States should not, in any way, surrender to any other government or authority its jurisdiction over, and control of, the Canal Zone, and its ownership, control, management, maintenance, operation, and protection of the Panama Canal in accordance with existing treaty provisions.

2. That it is to the best interests—not only of the United States, but as well of all nations and peoples—that all powers, duties, authority, and obligations of the United States in the premises be continued in accordance with existing treaty provisions.

3. That there can be no just claim by the Republic of Panama for the exercise of any immediate control of whatever character over the Panama Canal Zone so long as the United States discharges the duties and obligations with respect to the canal.

4. That formal display of any official flag over the Canal Zone other than that of the United States, is violative of law, treaty, international usage, and the historic canal policy of the United States; and be it further

Resolved, That the American Legion is deeply concerned over the published aspirations of the Republic of Panama to negotiate with the United States of America for certain concessions, which, if granted, would be contrary to the established policy of the American Legion; and be it further

Resolved, That the American Legion urges the loyal news mediums of the Nation to publicize the grave perils involved so as to alert and

inform our people, with demands for prompt and forthright declarations and actions by the legislative and executive departments of the Government.

RESOLUTION 22 OF THE AMERICAN COALITION OF PATRIOTIC SOCIETIES,
34TH ANNUAL CONVENTION, WASHINGTON, D.C.

CARIBBEAN CRISIS FOCUSES ON PANAMA CANAL

Whereas the outbreak of the Cuban crisis in early October 1962, followed by the raising on October 29 of the Panamanian flag at the Canal Zone administration building under the authority of the President, emphasized the Marxist-Socialist plan for conquest of the strategic Caribbean area in which the Panama Canal is the key objective; and

Whereas over a period of years the conduct of our Panama policies by the Department of State, made with the approval of Presidents, has been featured by a series of harmful and timid surrenders to Panamanian radical demands which have seriously undermined our juridical position on the isthmus; and

Whereas more than half a century's experience in connection with the acquisition of the Canal Zone, the construction of the Panama Canal, and its subsequent maintenance, operation, sanitation and protection in a region of endemic revolution has completely established the wisdom of the 1903 treaty provisions for its exclusive sovereign control by the United States in perpetuity, as indispensable for the vital interests of our country and other free nations; and

Whereas, regardless of the pathetic twists and turns of the controlling international-Socialist element in the Department of State with respect to our Caribbean and isthmian policies, the United States cannot foreswear its inherent right of self-defense;

Resolved, That the American Coalition of Patriotic Societies:

1. Urges the following plan of action for our Government:

(a) Clarify and openly restate the Monroe Doctrine as applying to intervention through infiltration and subversion in any part of the Americas.

(b) Clarify and openly restate our historic, indispensable, and time-tested policies for U.S. control in perpetuity over the Canal Zone and the Panama Canal.

(c) Announce to the world the determination of the United States to liberate the people of Cuba from alien masters and the restoration of constitutional government.

(d) Reactivate a special service naval squadron in the Caribbean to serve as a symbol of liberty and as an assurance for security.

2. Condemns the tragic failures on the part of Congress, the Department of State, and the President to safeguard U.S. vital interests in the Caribbean;

3. Considers that the responsibility for such derelictions rests primarily with the jurisdictional committees of the Congress, the Department of State, and the President; and

4. Urges the loyal news media of our country to inform our people about the dangers in the Caribbean, with demands for

prompt and forthright actions and declarations by the legislative and executive branches of our Government.

CONTROL OF PANAMA CANAL

Resolution Adopted by the 69th Continental Congress, National Society, Daughters of the American Revolution, April 18-22, 1960

Whereas the United States in 1903 acquired full sovereignty by grant in perpetuity of the Canal Zone from Panama; and

Whereas the Thomson-Urrutia Treaty between the United States and Colombia aimed, through a generous compensation to Colombia, to restore the friendship between that country and the United States which had been threatened by the loss of territory and revenue occasioned by the secession of Panama from Colombia, and defined the rights of the United States and Colombia respecting the Panama Canal; and

Whereas forcing the abandonment of the Panama Canal, and accomplishing its internationalization is a Communist tactical objective; and

Whereas retention of sovereignty and control of the Panama Canal Zone is a vital necessity to the defense of the United States;

Resolved, That the National Society, Daughters of the American Revolution, urge that the United States refuse to permit the flag of Panama to be flown in the Panama Canal Zone; and

Resolved, That the National Society, Daughters of the American Revolution, urge the President and the Senate of the United States to refuse to enter into any treaty or make any executive agreement with Panama whereby this country would lose its sovereignty and control over the Canal Zone, and the Panama Canal.

CANAL ZONE CENTRAL LABOR UNION,
AND METAL TRADES COUNCIL, AFL-CIO,
Balboa Heights, Canal Zone, March 31, 1963.

HON. DANIEL J. FLOOD,
House of Representatives,
Washington, D.C.

DEAR SIR: We know that upon your shoulders will fall the major burden of marshaling the arguments for the passage of House Concurrent Resolution 105 and the companion Resolution 113 which was introduced by yourself.

We believe that these resolutions are a reaffirmation of the basic principles upon which any civilized form of government may exist or continue to exist. No government, even ours, can hope to maintain its prestige for any length of time when it does not operate within the framework of constitutional law.

In other parts of the world, as well as here locally, commitments have been made by various individuals dictated by expediency, which have resulted in long-term detriment to the inherent rights of all of our citizens. Unfortunately, when Congress perceived the need for

remedial action, these commitments have become irrevocable actions tying the hands of Congress.

We pray that you will have the inspiration that may show all your colleagues that it is not only the few citizens of the zone that are affected, but that every one of their constituents in one way or another, is, and will be, adversely affected.

It is very possible that these resolutions may be the one single piece of legislation that does the most to establish in the Americas a respect for government under constitutional law. The forces that are working in this hemisphere against democracy want government by fiat.

Sincerely,

J. H. ELLIOTT, *President.*

METAL TRADES DEPARTMENT,
Washington, D.C., April 3, 1963.

HON. CLARENCE CANNON,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. CANNON: We have read with interest House Concurrent Resolution 105, which you introduced on March 4, 1963, dealing with the Panama Canal. I am writing you to let you know that the Metal Trades Department, AFL-CIO, is very much interested in the continued welfare and well-being of the many U.S. citizens employed in the Canal Zone, the vast majority of which are members of our affiliated international unions of this department.

The deep interest of the metal trades department in matters concerning the welfare of the citizens of the United States employed as civilians in the Canal Zone, was evidenced by the unanimous action taken at our last convention in December 1961. The convention adopted three resolutions dealing with the Canal Zone merit system, the promotion of a sound apprenticeship program in the zone, and the unanimous expression that any person appointed to position as Governor of the zone, stockholder, or, member of the Board of the Panama Canal Company should be required by oath to express their intent in the continuing of the Panama Canal as a U.S. enterprise.

We indeed desire to commend you for the introduction of House Concurrent Resolution 105, which obviously reflects the considered view of thoughtful and well-informed Members of the Congress with regard to the Panama Canal.

The recent Cuban situation and the Suez Canal crisis in 1956 have both served to focus world attention on the Panama Canal. We are indeed greatly concerned with the continued erosion of U.S. authority over the Canal Zone. We recognize that the Republic of Panama is subject to economic ills due largely to its overdependence on the Panama Canal and its failure to develop its own agricultural potential.

We trust that with the administration-proposed increase in technical and economic aid will come a decreasing need for Panama to rely on the Panama Canal as a solution to its economic ills.

The position of the metal trades department is to endorse and support a policy of the fullest measure of justice and generosity for the Republic of Panama consistent with public interest and our national security.

The principal purposes of the Panama Canal since its first transit almost 50 years ago has not changed. The dual purpose of its construction was to serve without profit world commerce, and as a measure of national defense. It was with wise understanding and responsible statesmanship that the House Committee on Panama Canal reported: "The canal should not be permitted to become a pawn in our normal diplomatic relations with Panama."

The Panama Canal still has great strategic importance to the security of both the United States and the free world. The phenomenal (recordbreaking) demand for Panama Canal services established in 1962, reveals to all its economic importance. Until, and unless another canal is built, the Canal Zone and the Panama Canal must in the interest of the entire free world continue to remain under exclusive U.S. authority and control.

We strongly support the provisions and urge the adoption of House Concurrent Resolution 105.

We are taking the liberty of sending a copy of this communication to Congressmen Daniel J. Flood and Frank T. Bow, who introduced similar resolutions, House Concurrent Resolutions 113 and 120, on March 12 and 28, 1963. A copy of this letter is also being sent to Thomas E. Morgan, chairman, Foreign Affairs Committee of the House, and to all members of that committee.

Sincerely yours,

B. A. GRITTA, *President*.

[From the Panama (Republic of Panama) American, Mar. 23, 1963]

THE TREATIES—WERE THEY ALL "TAKE"?

SIR: This is the fifth article we have written to your column dealing with the subject of present and past treaties between the United States and Panama as regards the Canal Zone and the Panama Canal. Our past papers have dealt with the subject of sovereignty and international law as both apply to the "big ditch," the Panama Canal.

It has been loudly, eagerly, and zealously argued that the treaties of 1903, 1936, and 1955 were completely one sided in favor of the United States with the Republic of Panama getting the very short end of the stick. It has been forthrightly urged that it was all take and no give on the part of the U.S. Government as regards the Panama Canal.

We found the book, "The Untold Story of Panama," by Earl Harding, extremely interesting on this subject and at the same time quite revealing and quite shocking. This 171-page book was published by Athene Press, Inc., of New York City in 1959. Harding is a famed journalist and was formerly the assistant to the president and public relations counsel of Remington Rand, Inc.

As early as 1913 Harding advocated that to properly protect the Panama Canal the Canal Zone should take in much more territory than the treaty of 1903 gave to the United States. On page 103 of his book Harding states:

I suggested that acquisition of territory for future defense could not be regarded as aggression—unless delayed until a new generation of Panamanians came to believe their sovereignty an inalienable right.

They believe it now. For Panama history books have not told Panamanian youth that only a handful of conspirators knew that a revolution was planned. Radical ideologies infiltrated all around the Canal Zone and exaggerated ideas of supernationalism took hold of a generation of Panamanians schooled to believe in the fiction that their "founding fathers" actually won their independence. So uninformed and misinformed Panamanians and North Americans took for granted the righteousness of Franklin Delano Roosevelt's abrogation of practically everything in the 1903 treaty to which the Panamanian politicians objected and the new treaty of 1936 was signed in Washington on March 2.

What did the treaty of 1936-39 give to the Republic of Panama? Harding states quite bluntly the following:

1. The priceless treaty rights of the United States to build defense bases outside the 10-mile-wide Canal Zone. "That give-away cost American taxpayers much more than the million dollars in rental paid to the Panama Government during World War II for permission to plant guns, build roads, landing fields, bomber bases, and nearly 400 buildings on Panama's pasture lands and in her swamps and jungles adjacent to the Canal Zone. It took endless negotiation to obtain permission—where the United States formerly had the right under the 1903 treaty—to use Panamanian territory for defense purposes."

2. All U.S. authority outside the Canal Zone was abrogated "thus abandoning its (United States) rights to defense bases outside the Canal Zone." The U.S. Government's right of eminent domain in acquiring property within the cities of Panama and Colon which might be needed for canal operation was renounced.

3. Also eliminated (by the 1936 treaty) was the right of the United States to maintain public order in Panama if the Panamanian Government could not do so. The annuity of \$250,000 paid by the United States for use of the canal strip was increased to \$430,000—"on account of the Roosevelt devaluation of the dollar."

4. The treaty of 1936 restricted residence in the Canal Zone to American civilian and military personnel, established corridors within the zone for Panamanian convenience and prohibited new private enterprises in the Canal Zone.

The treaty of 1936 was the legal basis that brought about the United States, in January 1948, abandoning the 13 defense sites within the Republic of Panama and retreated within its Canal Zone. "It was then understood that future defense would be entirely from within the zone limits."

The little-mentioned treaty of 1955 gave to Panama the following:

1. Increased the U.S. annuity to Panama from \$430,000 to \$1,930,000.

2. Gave Panama, without required compensation (dollars), waterfront and other properties, including Panama Railroad's yards and terminals in the cities of Colón and Panamá, of an "estimated fair market value," as stated by our Government of \$24,300,000. These gifts included the Hotel Washington in Colón (\$1,450,000) and many other parcels.

3. Agreed to ask Congress to appropriate and authorize building a bridge across the Panama Canal to replace the Thatcher Ferry, estimated to cost (at that time) up to \$27 million. This bridge is now constructed.

4. Concessions to Panama designed to restrict American (United States) and extend Panamanian rights in respect to commissary privileges, trade advantages, wage classifications, taxation, and so forth.

"Panama's principal token return for all the treaty concessions was 'the right to use, for a period of 15 years without cost' as a military training and maneuver base the old Rio Hato Base west of the Canal Zone. Extension after 15 years is subject to 'agreement between the two Governments.'"

The treaty of 1955 was ratified by the U.S. Senate on July 29, 1955, by a vote of 72 "for" and 14 "against." Senator Russell, of Georgia, repeatedly questioned the wisdom of ratification and stated in his argument against ratification:

I reiterate that the Department of Defense never thinks of challenging the Department of State or interfering in any way in any international negotiations. That has been true of all negotiations we have had in the past 2 years. If I had the privilege of appointing someone in the Department of Defense I would have cautioned him, when he came to consider a treaty having to do with the Panama Canal, to get some agreement that would not bleed us white, if we had to get some land outside the zone, in the event of another war * * * while we were committing ourselves to these increased payments, we should have some room to stand and fight, in the event of another war, rather than having to pay a large rental for additional ground.

Have the series of treaties between the United States and the Republic of Panama since the treaty of 1903 been "all take" on the part of the United States and "no give?" In all intellectual honesty and sincerity, we think not.

CENTRAL COMMITTEE,
CANAL ZONE DEMOCRATIC PARTY.

[From the Congressional Record, 88th Cong., 1st Sess., May 8, 1963]

PANAMA CANAL QUESTIONS: IMMEDIATE ACTION REQUIRED

Mr. Flood. Mr. Speaker, since the nationalization in 1956 by Egypt of the Suez Canal and the precedentmaking recognition and support by our Government of that action, the Panama Canal has been the victim of a series of diplomatic aggressions on the part of the Republic of Panama against the sovereignty and jurisdiction of the United States over the Canal Zone. Immeasurably complicated by the ratification in 1955 of the secretly contrived Eisenhower-Romon Treaty, our Government, both the Congress and the executive, has failed to meet these assaults with forthright declaration of policy. Instead, through mistaken acts of generosity and timid attempts at placation, it has aggravated the situation in the Canal Zone, with conditions there verging on chaos.

Underlying the present sovereignty agitation, and related to it in many ways, is the transcendent question of increased transit capacity, a subject that has been under congressional consideration since the advent in 1945 of the atomic bomb. In that year, the Congress, on recommendations of administrative authorities, enacted Public Law 280, 79th Congress, authorizing the Governor of the Panama Canal—now Canal Zone—to study the means for increasing the capacity and security of the Panama Canal to meet the future needs of interoceanic commerce and national defense, including consideration of canals at other locations, and a restudy of the third locks project, authorized by act approved August 11, 1939.

This construction project, hurriedly started in 1940 without adequate study, was suspended in May 1942 by the Secretary of War—Stimson—after an expenditure of some \$75 million of the taxpayers' money, mainly on lock-site excavations for parallel sets of larger locks at Gatun and Miraflores, most of which can be used in the future. Fortunately, the suspension of that project occurred before excavation was started at Pedro Miguel.

The wording of the 1945 statute, which was drafted in the Panama Canal organization that would later supervise its execution, is most significant in that this law was the first basic canal statute to include the terms, "Security" and "national defense," along with the usual terms, "capacity" and "interoceanic commerce" for such laws.

Under a far more extreme interpretation of this conveniently worded enactment, those who directed the inquiry emphasized the "security" and "national defense" factors as paramount and controlling, and even as a "mandate" from the Congress for a recommendation of a new canal of sea-level design at Panama. Later developments revealed that this design had been one of the undisclosed and unauthorized objectives of the 1939 third locks project.

The report of the Governor, heedless of the diplomatic consequences and costs involved, recommended only a sea-level project at Panama for a major increase of transit capacity, on the basis of its alleged greater "security" primarily against atomic attack and the needs for "national defense." This action served to obscure the plan for the major improvement of the existing canal which, when evaluated from all significant angles, may be the best solution.

Forwarded to Congress by the President on December 1, 1947, and significantly without approval, comment or recommendation, the Congress took no action and the report was not published as is usual in such cases.

In the ensuing discussion of the 1947 sea-level recommendation in the Congress, distinguished Members described its significant features and exposed the fallacies upon which it was founded. Notable among those discussions were statements by such leaders as Chairman Fred Bradley and Schuler Otis Bland of the Committee on Merchant Marine and Fisheries and Representatives Thomas E. Martin and Willis W. Bradley, all of whom strongly opposed the sea-level proposal.

The special attention of the Congress is invited to two addresses by Representative Willis W. Bradley, which admirably clarified the issues and made strong appeals for an independent inquiry: "What of the Panama Canal?" Congressional Record, April 21, 1948, page A2449; and "The Why's of the Panama Canal," Congressional Record, March 4, 1949, page A1303. With minor revision, the arguments presented in these two addresses apply with equal force today.

Unfortunately, nothing specific was done in this regard until 1957, when the Committee on Merchant Marine and Fisheries, pursuant to House Resolution 149, 85th Congress, appointed a part-time board of consultants to investigate the short-range plans for improving the Panama Canal.

This board made no new field engineering studies and based its report on data and studies made by others for the Panama Canal Company, or by the staff of the Company. Its report, House Report No. 1960, 86th Congress, signed on June 1, 1960, recommended no action toward a major increase of canal capacity, but that the entire situation be reviewed in 1970, or at an appropriately earlier date if traffic estimates are exceeded.

The time, Mr. Speaker, has now come for our Government to undertake the important task of deciding upon the matter of increased transit capacity for the Panama Canal.

For this purpose, there are a number of bills now before the Congress, which I wish to discuss briefly.

One group, illustrated by H.R. 863, introduced by my colleague from Ohio [Mr. Bow], and H.R. 3858, by myself, would create the Inter-oceanic Canals Commission. This independent body would be directed to study, first the question of increasing the capacity and operational efficiency of the present canal through adaptation of the suspended third lock project to provide a summit level terminal lake anchorage in the Pacific end of the canal to correspond with that in the Atlantic end; second, the construction of a new canal of sea level design at Panama; and third, the question of a second canal. Consideration of the treaty and territorial rights involved, which so far have been ignored, would be one of the main features of this inquiry.

An entirely different approach, however, is represented by H.R. 80, introduced by my colleague from North Carolina [Mr. Bonner]. This bill would authorize the Panama Canal Company to study the means for increasing the security and capacity of the Panama Canal or construction of a new canal to meet the future needs of inter-oceanic commerce and national defense. The key terms of this bill are identical with those of Public Law 280, 79th Congress, and equally ambiguous. Nor do they provide for consideration of the treaty or territorial questions involved. Moreover, it would keep the inquiry under the control of the same advocates who have long had the predetermined objective of a sea level canal at Panama for reasons other than navigation.

These advocates, Mr. Speaker, have unjustifiably opposed any major improvement of the existing waterway on the ground that such improvement would delay "conversion" to sea level. This is no reason at all, but a challenge to which the Congress should be alert. Every factor in the situation demands that the question of the future increase of transit capacity should not be undertaken by administrative agencies but by an independent body under congressional authorization, which should be composed only of those of the highest qualifications.

In anticipation of the present situation, I requested Mr. Edward Sydney Randolph, of Baton Rouge, La., a former member of the 1957 board of consultants, to review the 1960 report of that body which he has done in a letter to me dated April 5, 1963. The fact that he was not a member of this board during its consideration of the long-range program left him free to comment upon its report objectively.

His long service in the Canal Zone in responsible engineering capacity, familiarity with the problems involved, independence and vision, enabled him to prepare specific comments of rare merit that reflect a lifetime of observation and study. Not only that, his knowledge has enabled him to present a most constructive engineering program that should be considered only by an independent commission, with power as set forth in H.R. 863 and H.R. 3858.

Every consideration in the overall subject demands that our Government energetically strive to create the Interoceanic Canals Commission at the earliest date, for too much time has already passed.

In these general connections, we must not overlook the facts that the well-known and tested Terminal Lake-third locks solution for the Panama Canal would not require the negotiation of a new treaty with Panama, but that the sea level proposal would so require. The first is covered by existing treaties but the latter is not so covered. These features in themselves ought to be sufficient to determine the matter; but, in any event, the proposed commission would consider this important treaty question.

An indispensable prerequisite before undertaking any plan for the increase of capacity of the Panama Canal or for a second canal at another site is the clarification and reaffirmation of U.S. sovereignty over the Canal Zone, which is constantly being contested by Panama. Such results are contemplated in House Concurrent Resolution 105, introduced by the gentleman from Missouri [Mr. CANNON], and House Concurrent Resolution 113, introduced by myself.

Mr. Speaker, delay and confusion have, for too long, plagued the situation on the isthmus as regards the sovereignty of the United States over the Canal Zone and also the determination of an adequate plan for increased transit capacity and operational improvement of the Panama Canal. The time has come for action, for which the 1960 report of the Board of Consultants was a constructive first step.

In order to make Mr. Randolph's statesmanlike engineering analysis of this 1960 report easily available not only to the Congress and the Executive, but as well to all interests concerned with interoceanic commerce and have to bear the costs of tolls as well as to the nations at large, I quote it as a part of my remarks:

BATON ROUGE, LA.,
April 5, 1963.

To: The Honorable Daniel J. Flood, House of Representatives, Old House Office Building, Washington, D.C.

From: Edward Sydney Randolph, registered professional engineer, Life Fellow, American Society of Civil Engineers.

Subject: Panama Isthmian Canal—Bill to create an Interoceanic Canals Commission.

Reference: Letter of Congressman Flood to E. S. Randolph dated October 4, 1962, and later matter.

DEAR MR. FLOOD: This is in response to your request for comments on the above subjects.

A list of references is at the end of this letter. For brevity references will be to year and page number. Most references are to the 1960 consulting board report. Although I served on the Board while it produced the short-range program, July 15, 1958, published as a committee print, I did not contribute to the long-range program, nor did I know what the contents were, until after its publication. The short-range program has long ago been implemented.

To reduce confusing details, this letter will deal chiefly with the locked-in parts of the Panama Canal from Gatun locks at the north to Miraflores locks at the south end. The 1960 board report states at page 8, "The sea level sections may take traffic in both directions simultaneously." The sea level section from Gatun to sea is nominally 6.43, and at Pacific end, from Miraflores locks to sea is nominally 7.41 nautical miles. (Pilot's Handbook, revised 1956, p. 17.14.)

If in the remote future, there will be a need for some improvements to the sea level sections of the lock-canal, it might be economical to perform these operations when needed and not associate them with any program for new locks. The sea level sections do not seem to be limiting factors to the capacity of the canal.

The several very distinguished members of the board which produced the long-range program, signed June 1, 1960, were engaged for almost 3 years on the short- and long-range programs. Significant is the statement (1960, p. 1): "No new field engineering was done for the purpose of this report. It is based on data and studies made by others for the Panama Canal, or by the company's staff." Under the circumstances, I do not know how they could have produced a better report at that time. I do not question their findings. At the time of signing, the board possessed far more late information than I. In this letter, I hope to show reasons why the inquiry should be energetically

continued at an early date. Any discussions in this letter are to point up the need for inquiries, not with the intention of deciding any other issues.

The board was provided with several plans and estimates for lock-type and sea level canals at the Canal Zone. The board made some comments on them but did not recommend any for construction.

Several names have been used to differentiate the several lock-canal plans, but obviously any third lane of new locks will, in fact, be a third set of locks. There are wide differences in estimated costs, times required for construction, dimensions of lock chambers, and conveniences of operation in the lock plans offered to the board and shown in the 1960 board report. There might be more and different plans for locks developed, perhaps leading to something superior, if further investigations were vigorously and objectively pushed, by a representative group of able men, empowered to act. The proposed bill H.R. 3858, to create an Inter-oceanic Canals Commission, now before Congress, would be the best agency for securing the best plan for the future Panama Canal—or a canal in any other place.

The 1939 report (H. Doc. 210, 76th) led to the authorization by Congress of a third set of locks. Construction was started July 1, 1940, but was suspended by the Secretary of War in May 1942, due to shortage of ships and materials more urgently needed in wartime. (Encyclopaedia Britannica, 1961, p. 173.) Construction was not resumed. Other plans were put forward—for a sea level canal, and a third lock canal which would elevate the Miraflores Lake to summit level (the Terminal Lake Canal). These two were widely publicized and discussed. (See 1949 Transactions of the Am. Soc. C.E., vol. 114, pp. 558-906.) Accordingly, it appears that the lock canal plan is still the one approved and favored by Congress. But events since the board report dated June 1960 would justify a new look at all lock canal plans heretofore published and others to be devised.

In the 1960 report, I found no recommendations for the resumption of the lock construction program. However, at page 7, recommendation 7, stated: "The entire situation should be reviewed in 1970, or if the present traffic estimates are appreciably exceeded, at an appropriately earlier date." At the time of signing the report, it was doubtless quite clear that a new examination of the matter should be based solely on traffic density. But the situation will be different after year 1967, when it is expected that the enlargements recommended in the 1960 report will be accomplished. Also, the investigations recommended by the board are yielding data, which should be evaluated by the proposed commission.

In the 1960 report, at page 38, is shown "Plan 1: Interim Improvements to Present Canal (cost \$61 million)." The interim program is all that was recommended for construction. Other recommendations included various investigations, one concerning the construction of a sea-level canal and another concerning water supply for lockages.

What will happen after the year 1967? Should the United States be ready with the best plan for construction of new locks, in case of need? Even those lock plans revised in 1958 (1960, p. 319, App. 3) are not on a comparable basis. How can the best plan be found? It is probably true that a third flight of new locks can be constructed in

much less time than any sea-level canal, and for a fraction of the first cost.

After the year 1967, there will be an ample waterway from lock to lock. So deep that the full increase in depth will not be required for a long time. The original locks will have some perfections added but will limit the size of the maximum ship to 102 feet wide, 800 feet long and 38 feet fresh water draft (1960, p. 38). When only one lock lane is available the maximum traffic will be 38 lockages in 24 hours (p. 19). It was estimated that the outage time of one chamber could be reduced to 72 or 96 hours, for repairs (p. 19). That is 3 or 4 days. If during one of those 3-day periods transits happened to be at a peak rate there could be a piling-up of ships. The maximum peak day rate in 1959 was 39.2 transits (1960, table at p. 24). Estimated peak day traffic for 1976 was 47.1, and for year 2000 was 61.9. While these possibilities of delays to ships during several days do not seem alarming now, the situation needs consideration together with the overall planning of the future canal. At page 19, is the statement

If these outage times can be selected for minimum traffic interference, the maximum capacity could be achieved.

(1960, p. 17):

Basically, the absolute measure of the canal capacity is the maximum number of lockages that can be processed in 24 hours.

And at page 21:

It is generally predicted that the capacity of a single lock lane would be insufficient at times to meet the needs of expected traffic beyond the year 1960.

It is time for a hard new look at the several problems as they will be influenced by the passage of time, interim improvements, the yield from the investigations recommended in the 1960 report, and by other scientific advances. Congress must decide all major questions based on sufficient information. A commission can present data, to Congress, based on the Commission's massive investigations. Engineers, and other experts, employed by the Commission, can provide answers to lesser questions and information for consideration by the Commission.

In the press there have been statements to the effect that some improvements in capacity of the American Isthmian Canal will be required by year 1980. If true, the lead time is running out. Such statements are subject to question by a representative body such as a commission. For each proposed plan in the 1960 report is shown a construction schedule. The minimum is $8\frac{1}{2}$ years for lock construction including 2 for engineering and administration (1960, p. 373). At pages 382 and 386 are shown construction schedules for Plan III—Consolidated Third Locks (Terminal Lake) and Plan IV—Zone Sea Level Canal, both 12 years for completion after authorization. These schedules are for necessary work after authorization (1960, p. 324). To be added to the above time periods are the time for congressional action and before that time for commission actions. There is so vast a field for investigation that several years might be required by a commission alone.

Crash programs are costly and likely to be far from the best. The only possible means for the full accomplishment of all the interlock-

ing inquiries concerning an enlarged waterway would be by means of the proposed commission.

Each basic fact relating to the problem has a number of variations and different advocates.

The interim improvements recommended by the 1960 board included the deepening of the summit level by 5 feet, from nominal fresh water depth of 45 feet to 50 feet, or 11 percent, and for the widening from 300 to 500 feet minimum, or 67 percent, and this is expected to be accomplished by year 1967. In the meantime all commercial tonnage applying for passage is accommodated by the original channel while in the process of widening and deepening. The installation of lights and signals along the canal, already implemented, will enable vessels to pass in both directions simultaneously during night or day (1960, p. 302):

Lighting both Gaillard Cut and the locks would * * * increase the capacity * * * by permitting 2-way traffic in Gaillard Cut during darkness, thus making 24-hour operations possible.

It is implied that the widened and deepened canal will (except for the locks) have ability to handle the traffic, in tons, until the year 2000 (1960, p. 3, conclusion 8):

Comparison of capacity and demand also shows that even the present canal, after completion of the short-range program and plan I, will have fully adequate capacity to meet the demands of traffic beyond the year 2000 * * * except * * * when repairs or overhauls are being made to the locks.

And at page 26:

The life of the dredged channel can be perpetuated by periodic dredging.

From the above, it might be construed that there need be no more massive deepening or widening programs for the waterway as far as man can foresee. (Even the 37-foot salt water draft of the carrier U.S.S. *Constellation* would be comfortably accommodated.)

The added depth, particularly in the restricted Gaillard Cut, will permit some extra drawdown of Gatun Lake level in dry seasons, which will permit some added electric power generation at the Gatun Station. At first this will permit a certain amount of fuel saving. But as ships increase in size it is probable that the minimum lake level will again be increased. The water level must provide sufficient depth above the lock sills at Gatun and Pedro Miguel to float ships conveniently.

At page 25 of 1960 report is stated:

(d) Water supply: The usable water supply in Gatun Lake is increased under this plan * * * by deepening the channel 3 feet more than required for ship maneuverability. With this increase the water supply is considered adequate for the operation of the canal as reconstructed under this plan.

The authors of the report seem to have taken a long look ahead—to the time when the third flight of locks is a reality. Then the 3 feet added depth will be very welcome for larger ships.

The minimum depth of 47 feet (occurring only at ends of long dry seasons) should suffice for many years, if new and deeper locks are provided. If deeper water will ever be a necessity, at that date consideration might be given to adoption to a higher minimum level which would lend itself to a gradual increase in depth; or to lowering the bottom of the canal, which would need to be done in a larger step, to be

economically performed. It must, at some time, be decided which expedient will be adopted, how much increase in depth at one time, and when the deepening will be imperative, if ever.

A full inquiry by the commission might show that the channel, harbor, and aids to navigation will not require large improvements above those accomplished and now in progress within the predictable future. Also that the dates of the needs for larger locks, deeper channels, and added water supply may be based on different factors.

In the cost estimates, provided for consideration by the consulting board, starting at page 389 of 1960 report, for additional locks, are shown items which might not be appropriate after the current program of widening, deepening, lighting, etc., of the channels is completed. Assume the waterway will then be adequate until some time like year 2000 (too far ahead for any accurate forecast). In that case a third lane of new and larger locks will accommodate practically all traffic, even very large ships.

Under the above assumption, there would fall from the cost estimates those items already accomplished, in whole or in part, such as channel deepening and widening, lighting, signals, harbor improvements and ship salvage facilities; none of which would need attention merely because there were larger locks and probably would need only maintenance for a very long time.

If these items are deducted from the cost estimates, as shown on table 1 (following), the costs (1939) would be reduced to—

For plan II, third locks, reduced amount..... \$468, 000, 000
For plan III, Terminal Lake—third locks..... 875, 000, 000

The published estimates, in 1960 report are not in so much detail that I can determine exactly how much of each item should be excluded as unnecessary to the functioning of any of the locks.

TABLE I

[Part or all of the following items in estimated costs might be found unnecessary or inappropriate for any new cost estimates for a new flight of locks in the Panama Canal]

	Plan II 3d locks	Plan III, consolidated 3d locks (Terminal Lake), 3 lifts
Page references, 1960 Board report.....	389,390	393-395
Items 3 and 4: Channel excavation.....	\$197,770,000	\$204,010,000
Item 5: Harbor improvements.....	3,300,000	12,950,000
Item 6a: Excavation, unclassified.....	17,180,930	
Item 6b: Excavation, unclassified.....		
Item 6c: Excavation, unclassified.....	15,321,250	
Item 12: Aids to navigation.....	11,500,000	
Item 11: Aids to navigation.....		11,498,000
Item 11: Ship salvage facilities.....		8,240,000
Total.....	245,072,180	236,698,000
Engineering design and supervision, exploratory work, and inspection of materials (at 8 percent).....	19,606,000	18,936,000
Total (assumed deductible).....	264,678,000	255,634,000
Original total estimated cost.....	733,080,000	1,130,310,000
Balance, original total less deductibles.....	468,402,000	874,676,000

NOTE.—It is possible that for plan III an additional item of \$23,000,000 would be deductible, it being "Excavation unclassified" at Gatun.

I have not seen costs, on a comparable basis, for the plan III, the Terminal Lake plan, and plan II, the third locks plan. Those presented in 1960 are based on plans so different in size and other respects that a cost comparison cannot be found. In plan III, the construction of the two upper chambers, in Miraflores Lake, to make the Miraflores locks a continuous three-lift affair to summit level, would be terribly difficult, long drawn out, would make navigation during construction very inconvenient. The cost for the two parallel chambers, about \$178 million (1960, p. 394) would go far toward building another three-lift lock at Miraflores, if of reasonable size. The construction time would be shortened from 12 to 8½ years (p. 381) and would not interfere with traffic during construction. Each of these items would materially reduce the cost of the project.

The chamber size of 200 by 1,500 feet for plan III, new locks, is a carryover from 1947 studies. The horizontal area is 78 percent greater than for locks 140 by 1,200 feet. The U.S.S. *Constellation* is 252 feet wide. Any lock large enough to accommodate such craft as the *Constellation* would have no commercial value. However, the enlarged waterway (except locks) would carry the *Constellation*. If it were found necessary to accommodate such vessels, a special lock at each end of the canal might be built and operated for the account of the Navy Department. Due to probable infrequent use, there might be possible some economics of construction. Obviously, if such a lock system were ever to be built, the cost and inconvenience would be much less if the locks were built in only two, rather than three locations.

Water control: Most essential for floating and locking vessels. This tremendously involved subject is too time consuming for direct consideration by Congress. Better that engineers work up the data, then a commission draw conclusion for submission to Congress.

It is axiomatic that the Gatun Lake was developed as an integral part of the waterway. The lake is wholly within the Canal Zone but most of the watershed is in the Republic of Panama. Thus the Republic of Panama is free to build reservoirs on the upper watershed for their own purposes, such as municipal uses and possibly for power. However, any spillage from such reservoirs would almost inevitably flow into the Gatun Lake. This use of water by the Panama Republic will become the subject of news items, I feel sure.

Water supply appears to be adequate for lock operation and for municipal uses (1960, p. 24).

And on page 723:

In the present canal, therefore, the available water supply will be ample for anticipated traffic beyond the year 2000.

Probably, by the year 2000, considerable pumping into Gatun Lake will be required, of sea water (or brackish water) from one of the sea-level approaches to the locks. The cost was estimated at \$250 per lockage, year 1931 (report, 1931, p. 31). Now the costs will be more. The procedure for operating pumps is subject to variations in order to meet varying needs. To limit the cost in plant and in power demand (in kilowatts), a program wherein the pumps would be operated for a longer period than for the period of actual need of extra water for depth and for lockages might be worked out if scientific forecasting is somewhat improved by the end of this century.

In any case, if too much water were pumped, it could be later used to generate part of the power consumed in the pumping. The subject is very complicated. It is one for consideration of a commission with the advice of engineers.

Pumping water into reservoirs is not new. At the newly finished Robert Moses Niagara Power Plant (National Geographic, April 1963, p. 581):

At night when power demand is low, Niagara-powered electric pumps store water in reservoirs. During the day's peak demand, the stored water flows out through the same pumps, which become turbogenerators producing more electricity.

For a long time the Gatun Lake has been mildly saline, at the upper ends of the terminal locks, due to the mixing action caused by the filling jets in the lock floors. The heavier saline water lies at the bottom of the lake or cut. With heavy pumping the salinity might become objectionable when water is intended for municipal uses. By the time pumping in large amounts becomes necessary, great advances in the desalting of water will have been made. In Barron's magazine, April 1, 1963, at page 3, is stated: "A plastic-like membrane * * * filters dissolved salt out of water."

Electric power: Traditionally water has been drawn from Gatun Lake to generate at Gatun Station. As lockages increase, water for power must decrease (1960, p. 24). "There is not enough water for hydroelectric units to generate all the power required for the Canal Zone in the dry season and in some subnormal rainy seasons." And at page 22, is stated:

There is insufficient diesel power generating equipment on the isthmus to handle all power requirements.

In the 1960 report, page 25, at bottom, reference is made to " * * * deepening the channel 3 feet more than required for improvement of ship maneuverability." It is implied that the lake level can be lowered by all or part of this 3 feet, and so provide added water during dry seasons. That is, only 2 feet of the 5-foot deepening in plan 1, was for maneuverability. In early years this would permit saving in fuel for power generation. The proposed lowering of lake bottom to elevation 30, for plan III (1960, p. 29) would permit more drawdown, but would deprive the old locks at Gatun of much useful depth. The cost of deepening to elevation 30 would be tremendous. I cannot make an exact determination of it from the estimates in the report.

FINANCIAL MATTERS

The financial policy of the Panama Canal has not been quite like that of a commercial enterprise. One test might be: Could a new flight of locks be financed by a bond issue sold to the public? The answer is obvious, because experience shows that the original investment would not be recovered.

From report, 1960, page 2:

Unless improvements are made for security reasons alone, the carrying charges of all capital expenditures, including appropriate amortization, as well as cost of operation of the canal, should be borne by canal tolls.

Any new cost analyses might very well include amortization as favored by the 1960 board.

There is talk of constructing another canal, away from the present one. Should we so multiply our financial losses?

A new canal, at some other location, would, besides the construction cost, involve the duplication of many plant items, now on the Canal Zone, and at modern prices. Some items are: Accommodations to foreign countries, land rental, harbors and harbor facilities (including drydocks and repair shops), dams and reservoirs, waterworks, power system, fuel stores, individual plant for operations, storehouses, dwellings, community buildings, roads and streets, sanitation and hospitals, telephone system, possibly a railway. (There is also the installation system for national defense.)

It seems overoptimistic to assume that a better treaty, or perhaps one as good as we still have with the Republic of Panama, could be negotiated.

All of the plan items, now in operation on the Panama Canal would serve as well with a third flight of locks as they do at present. Any needed additions would serve to increase the volume of business and should reduce the overhead and other operating costs, per vessel in transit.

It would be impossible, of course, to make an offhand cost estimate of the ancillary items above listed. I would not be surprised if it exceeded half a billion dollars.

A businessman's viewpoint might indicate that the plan requiring the smallest outlay of money, over the years, would be most likely to succeed.

Other lock plans suggested for study: It would be interesting and possibly very valuable to have at least two lock canal plans investigated by a commission. One to be a variation of the plan II, third locks canal which would bypass Pedro Miguel locks on the west side, and have a duplicate of the Gatun new locks at the Miraflores site, and a channel on west side of Miraflores Lake.

The other would be a variation of plan III, consolidated third locks canal (in the 1960 report), better known as the Terminal Lake plan, which would naturally follow the completion of the plan II variation having the bypass channel ready, the second Miraflores flight of locks would be simple to accomplish, relatively inexpensive. Then with two new locks at Miraflores, the completion of the Terminal Lake would be the final step.

Both plans could make use of the enlarged waterway between locks as well as the sea-level sections, without change. Both would be designed to the same dimensions, having locks, probably 140 by 1,200 feet in plan and about 50 feet deep, or any more appropriate size selected by the commission. Both would include, in construction cost, only the new locks, approaches, and such essential appurtenances required to make locks workable.

By omitting the new Pedro Miguel west lock there would be saved costs of 4,500 feet of lock and approach walls, 260 linear feet of lock floor, two caisson seats, and a pair of gates. Also the bottom of the excavated bypass channel would be about 27 feet higher than in case of plan II. There would be savings in cost due to working in only one

location at the Pacific end of the canal. There would be savings in operating and maintenance costs.

There need be no change in the Gatun locks as now planned, unless the dimensions are changed. Both, of course, being at the same dimensions, as adopted for the Pacific end.

In the first plan (bypass Pedro Miguel locks), the cost of the bypass channel would be involved. The channel would pass along the west side of Miraflores Lake. The present canal channel and the new would require separation by a substantial dike, which would later be removed when the Terminal Lake permanent structures were completed. The difference in water levels would be nominally from 54 to 85 feet. But the summit level could possibly rise, during a great flood to 92 feet. About 38 feet would be the difference in water levels to be provided for.

In the first plan, the completed arrangement on the Pacific end would match that at the Atlantic end of the canal. One flight of locks at each end, from summit level to the sea in three steps. It appears that the variation of plan II, above described would be less costly to construct than plan II with locks at three locations.

The greater saving resulting from the suggested plan above would be realized when a second lock were placed at Miraflores beside the first new lock—then both would be served by the same bypass channel. (If a special lock for aircraft carriers were added, the saving would again be realized.)

For the Terminal Lake plan, here suggested, the elimination of the two upper chambers at the old Miraflores Locks would make available a saving in cost of about \$178 million (1960, p. 394). That would go far toward the construction of a second lock for the new twin locks at the west Miraflores site, required for the Terminal Lake plan. Shortening the construction period would make a material saving in first cost. Avoiding any interference with traffic during construction would make a large saving. The old locks need not be altered at all until it was time to abandon them and complete the closure of the terminal lake at Miraflores.

After construction of a pair of twin locks at Miraflores west site, the final step in the completion of the Terminal Lake plan would include the enclosing of the Miraflores Lake to permit its surface elevation to be at summit level, the relocation of facilities involved, and the removal of part or all of the old Pedro Miguel locks.

It might be prudent to try for the single lock at Miraflores with the Pedro Miguel bypass channel first because of the relatively small outlay in money. Later, at the appropriate date, developed the second lock at Miraflores. (If this date is not too remote, it might be possible to get along with only one new lock at Gatun while using the old Gatun locks. This expedient would greatly reduce the second outlay of money, and permit some of the money to be used to elevate the Miraflores Lake.)

My personal feeling is that the step-at-the-time construction program would be easier to finance. Any of the items of construction is large enough to avoid the objection to small contracts.

The following steps can be financed singly, or in combination:

1. Build a flight of new locks at Gatun and one at Miraflores, with bypass channel west of Pedro Miguel locks and in west side of Miraflores Lake.

2. Build second west Miraflores lock, use same bypass channel.

3. Raise Miraflores Lake.

4. Add second lock at Gatun, east.

Sincerely yours,

E. S. RANDOLPH.

REFERENCES

1. The 1931 report, House Document No. 139, 72d Congress, 1st session, by U.S. Army Inter-oceanic Canal Board.
2. The 1939 report, House Document No. 210, 76th Congress, 1st session, by the Governor of the Panama Canal, "Report on the Panama Canal for the Future Needs of Inter-oceanic Shipping."
3. The 1947 report, "Report of the Governor of the Panama Canal," under Public Law 280, 79th Congress, 1st session, Isthmian Canal Studies, 1947.
4. The 1958 report, "Improvements to the Panama Canal--Short-Range Program," July 15, 1958, by board of consultants, Isthmian Canal Studies, committee report, Committee on Merchant Marine and Fisheries.
5. The 1960 report, House Report No. 1960, 86th Congress, 2d session, by board of consultants, Isthmian Canal Studies, "Report on a Long-Range Program for Isthmian Canal Transits," signed June 1, 1960.
6. The 1949 volume of transactions of the American Society of Civil Engineers, volume 114, pages 558 to 906. Contains a paper by Capt. Miles P. DuVal, "The Marine Operating Problems of the Panama Canal and their Solution." Describes at length the terminal lake plan and has been widely read by engineers. Also are many papers relating to the sea-level subject. This is the only reference containing discussions from both sides.
7. Encyclopaedia Britannica, 1961 edition, pages 172 to 174.
8. U.S. Naval Institute proceedings, March 1963, at page 152, shows overall dimensions and draft of the aircraft carrier *Constellation* (1,047 feet long by 252 feet wide by 37-foot draft). Completed December 1961.
9. "Panama Canal Company, Pilots Handbook," revised 1956.

[From the Congressional Record, 88th Cong., 1st sess., June 27, 1963]

CRISIS IN CANAL ZONE: PANAMANIAN "ULTIMATUM"

Mr. FLOOD. Mr. Speaker, in an address to this body on April 9, 1963, I dealt at length with the grave crisis that has been generated concerning U.S. sovereignty over our territorial possession designated as the Panama Canal Zone. Explaining that since the birth of freedom parliamentary bodies have preserved the just rights of nations against the misuse of Executive power, I stressed that the Congress in meeting its responsibilities as a separate and independent agency of our Government, must save the Panama Canal. To this end, I urge prompt action on House Concurrent Resolution 105, which was introduced by the distinguished chairman of the Committee on Appropriations (Mr. Cannon) and is now under consideration in the Committee on Foreign Affairs. This resolution, which expresses the sense of the Congress, would clarify and make definite the policy of our Government concerning the question of U.S. sovereignty over the Canal Zone and Panama Canal and thus end the uncertainty that has been created.

In Panama, the significance of the indicated address was recognized in banner headlines in Isthmian newspapers. In the United States, so far as I have been able to ascertain, it was ignored by all major newspapers, thereby leaving our people in virtual ignorance of crucial facts affecting their vital interests on the isthmus and giving the influences bent on destroying U.S. sovereignty over the Canal Zone an unguarded and exclusive field in which to advance their program of juridicial erosion. Such failure, Mr. Speaker, on the part of the major press of our country and the Department of State, is deplorable.

PANAMA THREATENS "RADICAL ACTION"

Those who have followed the Isthmian situation closely will recall that, following the visit of President Chiari of Panama to the White House in June 1962, a joint United States-Panama Commission was designated to review points of dissatisfaction in the relations between Panama and the United States. This commission is composed of four persons, Foreign Minister Galileo Solis and Dr. Octavio Fabrega, representing Panama; and Gov. Robert J. Fleming, Jr., of the Canal Zone; and our Ambassador to Panama, Joseph S. Farland, representing the United States.

The work of this body was discussed by President Chiari with the President of the United States in March 1963 at the San Jose, Costa Rica meeting. It was also discussed by Panamanian Planning Director David Samudio during early April of this year in Managua, Nicaragua, with Director Teodoro Moscoso of the U.S. Alliance for Progress. During the latter conference, there was raised for the first time a threat of "radical action" by Panama in what was described

as a "tense" meeting. What this "radical action" was to consist of is not known, but the discussion revealed that President Chiari is pressing strenuously for some form of dramatic and immediate concession by the United States to Panama as regards the Panama Canal. Why? The answer is obvious. He wishes to dangle a newly wrung surrender by the United States before the Panamanian electorate which will enable him to elect the candidate of his choice as his presidential successor. Such a surrender by our Government would undoubtedly have this effect. Hence the desperate drive for it.

SOLIS-RUSK MEETING, APRIL 23, 1963

The next move in the unfolding situation did not take long to develop—a working luncheon on April 23, 1963, in Washington given by Secretary of State Rusk. Though attended by Foreign Minister Solis, Panama's Ambassador Guillermo Arango, U.S. Ambassador Farland, and State Department officials, the people of the United States and their Congress were again kept in the dark as to what took place.

Before leaving Washington, Minister Solis left a memorandum outlining the pending Panamanian demands for Secretary Rusk, which was personally delivered to the Secretary on April 25 by Ambassador Arango. He did not enlighten our people as to its contents, nor has the Secretary of State issued any release with respect to the luncheon, the memorandum, or the "ultimatum."

Such denial of information, Mr. Speaker, calls for positive and protective action by the cognizant committees of the Congress in defense of the Constitution and the proper discharge of congressional duty. Whether the Department of State so believes or not, the Congress of the United States, as previously stated, is an equal partner in our Government. Moreover, it is charged with ultimate responsibility in national and international policy.

WASHINGTON SECRECY EXPOSED AT PANAMA

In contrast with the silence of the press in our country about the Rusk-Solis meeting on April 23 and the "ultimatum," the press of Panama gave these matters extensive coverage, publishing news stories with flaming front-page headlines that originated in Washington as well as in Panama.

The news stories published in Isthmian papers show that the pending demands being pressed by the Chiari administration include:

First. Display of the Panamanian flag on all U.S. military and naval stations in the Canal Zone, and at the same level with the flag of the United States; also on all vessels in transit of the Panama Canal.

Second. Jurisdiction over a corridor across the Pacific end of the Canal Zone from Arraijan on the west bank of the canal to Panama City, consisting of the Thatcher Highway, the new Thatcher Ferry Bridge, and Fourth of July Avenue; and another corridor across the Atlantic end, the location yet to be determined. Both corridors would be carved out of the Canal Zone territory at the vital entrances of the canal and placed under foreign control—a condition impracticable in peace and hazardous in war.

Third. Use of Panama postage stamps in the "U.S.-occupied Panama Canal Zone."

Fourth. Turning over certain pier and dock installations at Colon and Balboa to Panama.

Fifth. Elimination of commercial and industrial activities in the Canal Zone.

Sixth. Recognition of Spanish, along with English, as an official language of the zone.

Seventh. Opening up the Canal Zone to Panamanian farming and cattle projects.

Eighth. Provision of free water to Panama.

Ninth. Equal employment opportunities for Panamanians in the Canal Zone, with social security and other benefits, including provision for a binational commission on labor.

More important, however, was the threat of "radical action" by Panama unless its demands are met by the deadline of mid-July or the present joint diplomatic commission, previously mentioned, is transformed into a body for the negotiation of a new canal treaty. What this "radical action" would be was not stated.

Mr. Speaker, as far as I can learn, the only information that the people of the United States have had about the doings of this secret meeting in the Department of State on April 23 and the Panamanian "ultimatum" were newspaper dispatches from Panama, of which two examples will be found in the present documentation. When the few crumbs of news given in them to the people of our country are compared with what was disclosed in Panama, it is easy to see how our interests at Panama are eroded. Certainly the situation on the isthmus is one that requires immediate and effective action by the Congress.

In these connections, Mr. Speaker, I would emphasize again that the Canal Zone is not an "occupied area" in the sense used in the Isthmian propaganda, but a territorial possession of the United States acquired constitutionally pursuant to law and treaty. It is urgent that the status of the United States in the Canal Zone accorded by treaty and maintained by our country throughout its canal history be clarified and made definite by the Congress, as provided in House Concurrent Resolution 105. In the past, our Government has been forthright in the assertion of this indispensable authority granted by solemn treaty agreement, but in recent years, it has been evasive, cowardly, and, in practical effect, subversive.

CONGRESS MUST SAVE THE PANAMA CANAL

As to the Panamanian "ultimatum," such a threat by a small country that grew out of the movement for the construction of the Panama Canal is truly amazing, and would never be put forward by Panama except for the pusillanimous attitude of our Government. The danger, however, is real and cannot be dismissed as a matter of no consequence, for our Government always assumes a passive role and fails to combat effectively the excessive demands of Panama with respect to the canal.

The prolonged failure of our Government, the Congress, and Executive to reaffirm our just and indispensable rights in the premises and Panama's preeminent and wholly unjustified demands and propa-

ganda therefore have had the undoubted effect of creating the image among all nations, especially in Latin America, of the United States as an autocratic Yankee imperialism oblivious to the rights of Panama. Thus, to the south of us anti-American psychological warfare in behalf of outrageous Panamanian claims is constantly being waged and in nowise opposed by our Government. This is destructive not only of Western Hemispheric solidarity, but as well of any successful operation of the Alliance for Progress.

As I have so often said, Mr. Speaker, the only way to meet these unjustified demands is by forthright and publicly announced declarations by our Government, the Congress, and Executive, that the solemn treaty obligations our country assumed with respect to the Panama Canal will be fully met.

The Canal Zone is not analogous to a U.N. trust territory, but is exactly what the 1903 treaty provides—territory over which the United States has full and exclusive sovereignty for the construction, maintenance, operation, sanitation, and protection of the Panama Canal. Except for such grant of sovereignty as an inducement, our country would never have undertaken the great and expensive task of building the Panama Canal at the cost of our taxpayers and its subsequent maintenance, operation, and protection.

The current generation of Panamanians may be blinded by their nationalistic zeal and demagogic leadership, but they must come to realize that should the United States ever leave the Canal Zone, Colombia, led by its radicals, will inevitably, if Soviet power permits, reassert and reestablish its former sovereignty over the entire isthmus, including the Canal Zone. Also, I may add, if Cuba can be taken over by the Soviets with the aid or acquiescence of policy elements in our Department of State and major news media, then U.S. control of the Panama Canal can likewise be liquidated. The process of erosion of our rights, power, and authority must cease and the trend reversed, or we shall be compelled to leave the isthmus.

In such an event, Mr. Speaker, the Republic of Panama will become only a footnote in the "ashcan of history." Thus, ruthless agitators in Panama and their collaborators in the United States are playing into the hands of the long-range Soviet strategists for the conquest of the Caribbean in which the Panama Canal is the key target.

The racial and impossible demands now being pressed by the Panamanian Government and their secret consideration by our highest officials are undoubtedly pleasing to Deputy Thelma King, Communist member of the Panamanian National Assembly, and close friend of Fidel Castro, whom she frequently visits in Cuba. To what extent is she responsible for what is now transpiring and why did she recently visit the United States?

To the people of all the Latin American nations we would commend these considerations: The Panama Canal is a great protective factor with respect to the independence of all your nations. Should the United States cease to maintain, operate, and protect the Panama Canal, the Monroe Doctrine would indeed be a dead document, as was recently and so brazenly proclaimed by Soviet diplomats on American soil. If the Monroe Doctrine is dead, then agents of revolutionary communism will inevitably infiltrate the governments and

institutions of your countries and take over, however much you struggle to remain free.

Finally, Mr. Speaker, there is only one way out of the dangerous situation now forming around the isthmus: the Congress must act to save the Panama Canal by forthright declarations of our historic and time-tested Isthmian Canal policy of exclusive sovereign control of the Canal Zone with prompt adoption of House Concurrent Resolution 105.

The documentation on which my remarks are primarily based, quoted at the end of my remarks, is commended for study by all Members of the Congress and of the loyal press, as an illustration of news suppression long current in our country about the explosive Panama Canal situation. This can be overcome only by an aroused American people who are being denied information of vital importance about the Panama Canal.

The documentation follows:

[From the Panama Star and Herald, Apr. 23, 1963]

REPUBLIC OF PANAMA AFTER HIGH-LEVEL SHOWDOWN WITH UNITED STATES—SOLIS AND RUSK MEETING TODAY IN WASHINGTON—RADICAL ACTION REPORTED UNDER CONSIDERATION BY CHIARI; WORK OF JOINT COMMISSION SCORED

Panama Foreign Minister Galileo Solis and U.S. Secretary of State Dean Rusk will meet in a private luncheon in Washington today amid indications that this country is seeking a showdown at the highest level over its claims for revision of the treaties between the two countries.

Solis left early Monday morning for Washington. It is understood he will review with the Secretary of State the problems of a political nature between the two countries.

He will be followed to Washington later this week by Engineer David Samudio, planning director in President Chiari's office, who will meet with officials of the economic section of the Department of State. Samudio will review financial questions stemming from the operation of the Panama Canal in Panamanian territory.

The announcement of the forthcoming Washington meetings are in the midst of a statement by Dr. Octavio Fabrega that he wants to withdraw from the present Joint Panama-United States Commission because of discontent over the function of the Commission.

Fabrega and Foreign Minister Solis represent Panama in the Commission appointed last June by Presidents Chiari and Kennedy to review points of dissatisfaction in the relations between the two countries. The U.S. representatives are U.S. Ambassador Joseph S. Farland and Canal Zone Gov. Robert J. Fleming, Jr. Both of them are in Washington now.

Fabrega said he understands that President Chiari is planning to take radical action in the situation in a short time. He did not elaborate.

Since the March meeting of the Presidents of the United States, Panama, and Central America, in San José, Costa Rica, Panamanian officials have been voicing displeasure over the slowness of the discussions of the Joint Commission.

The question was raised by President Chiari in his private meeting with President Kennedy in the Costa Rican capital.

The issue was pressed by Planning Director Samudio at a meeting early this month in Managua, Nicaragua, with U.S. Alliance for Progress Director Teodoro Moscoso. Reports from the Nicaraguan capital at that time described the Samudio-Moscoso discussion as "tense."

It is understood that at the Managua meeting the possibility of radical action by Panama was raised for the first time.

Now comes Dr. Fabrega's statement, carried in yesterday's edition of *El Panama America*, as follows:

I have expressed to President Chiari my desire to withdraw from the Joint Commission which is reviewing relations between Panama and the United States, to which I was appointed by the President last June.

My determination to resign is due to my discontent with the functioning of that Commission. I am satisfied neither with the results of the Commission nor with the conditions under which it has been operating.

The fullness of the understanding between the Presidents of Panama and the United States notwithstanding, the Joint Commission has not been functioning as a high-level commission, which was the name applied to it by President Kennedy when he appointed his representatives.

I have not found in the Commission a propitious climate for the consideration of fundamental reforms in the relations arising from the treaties between Panama and the United States. I have found only a disposition to consider questions which are merely accessory, and even with respect to the latter, the procedure is so slow and complex that it does not lead to expect concrete solutions in a foreseeable future.

For some time I have been expressing to President Chiari my discontent over this situation, telling him that my discontent has been increasing to the point that I consider that I must withdraw from the commission. President Chiari has asked me to delay this decision for some time and this is the reason why I have not submitted formally my resignation.

I understand that President Chiari, deeply concerned over the existing situation, is thinking of radical action on it in a short time.

The principal agreement announced by the Commission include the joint display of the Panamanian and United States flags in the Canal Zone, the recognition in the Canal Zone of exequaturs issued by Panama to foreign consuls, and the use of Panamanian postage stamps in the zone.

[From the *Panama Star and Herald*, Apr. 24, 1963]

REPUBLIC OF PANAMA CLAIMS WASHINGTON DELAYING TALKS—DR. SOLIS FILES COMPLAINTS AT MEET WITH RUSK—CHARGES UNITED STATES-PANAMA COMMISSION NOT DOING ITS JOB AND AGAIN RE-ITERATES REPUBLIC OF PANAMA'S GRIEVANCES

(By Ben F. Meyer)

WASHINGTON, April 23.—Dr. Galileo Solis, Foreign Minister of Panama, reportedly complained to U.S. officials today that the United States-Panama Commission, named a year ago to work out problems between the two nations, is not doing its job.

In any case, he is understood to have said, the Government of Panama feels the Commission is not working fast enough, and that the delay is at the Washington end.

Dr. Solis, Panama's Ambassador Augusto Guillermo Arango, Joseph Farland, U.S. Ambassador to Panama, and a group of State Department officials were guests at luncheon today given by Secretary of State Dean Rusk. It was a working session, reporters were told, at which the whole range of United States-Panama problems was reviewed. A Panamanian source said he was told the tone of the discussions was most friendly and cordial.

Before the luncheon, U.S. officials claimed not to know why the Panamanian Foreign Minister had come to Washington. The presence here of Ambassador Farland and of Gen. Robert Fleming, Governor of the Panama Canal Zone, they said, was for other business. The two are to testify tomorrow to a congressional committee. Fleming attended a quarterly meeting of the Panama Canal Company, a U.S. Government corporation operating the canal and the Canal Zone, this week.

Dr. Solis could not be reached for comment and an Embassy spokesman said he had not authorized any statement.

Pieced together from what informed sources did and did not say, it appears Dr. Solis came to Washington to ask for speedier action by the U.S. Government on various matters under study by the two-nation Commission, composed of Ambassador Farland and Governor Fleming, for the United States, and Solis and Octavio Fabrega, for Panama.

Panama has suggested among other measures that the Panamanian postage stamps, rather than those of the United States should be used by the U.S.-occupied Panama Canal Zone; that promises of better opportunities for Panamanian workers in the zone are not being kept fully; that there should be opportunity for private enterprise businesses in the Canal Zone, rather than U.S. Government commissaries; that the United States should get out of the merchandise business in the Zone altogether.

Dr. Solis plans to return to Panama tomorrow evening, the Embassy said.

[From the Panama American, Apr. 25, 1963]

UNITED STATES, REPUBLIC OF PANAMA AGREE TO DISSOLVE JOINT COMMISSION BY JUNE 1

(Foreign Minister Galileo Solis, who returned here from Washington early today, met privately for 2 hours today with President Chiari. It is understood that Solis reported to the President on the talks held in Washington with U.S. Secretary of State Dean Rusk and other State Department officials. Immediately after coming out of the meeting with the President, Solis announced he would hold a press conference at 4 p.m. today.)

WASHINGTON, April 25.—The United States and Panama have agreed in principle to dissolve a Joint Commission seeking solutions to longstanding disputes over the Panama Canal.

The four-member Commission is to conclude arrangements on matters under its consideration and then dissolve itself. The group is expected to finish its work about June 1.

This agreement to dissolve the Commission was reached during talks here between Panamanian Foreign Minister Galileo Solis and high State Department officials, including Secretary of State Dean Rusk.

The Commission was created by President Kennedy and Panamanian President Roberto Chiari during Chiari's visit here in June 1962. On the commission were Solis, Octavio Fabrega, U.S. Ambassador to Panama Joseph Farland, and Panama Canal Gov. Robert Fleming, Jr.

Solis and Farland met here yesterday before the Panamanian Foreign Minister's departure for Panama.

U.S. officials stressed that there is no dispute involved in the decision to disband the commission. It has been suggested that Fabrega's decision to resign speed a decision to dissolve the group.

These officials said that the commission would be able to conclude new agreements on outstanding problems and that it has carried out a considerable amount of work.

Chiari and Kennedy had intended to have the commission arrange for the flying of Panamanian flags on the zone, which was done, and to solve other practical problems brought out by Chiari.

Among the issues before the group were equal employment opportunities in the Canal Zone, wage matters, social security coverage, and other labor questions.

Also discussed at the time was Chiari's suggestion that Panama should have access to pier facilities and increased participation by Panamanian private enterprise in the market offered by the Canal Zone.

[From the Panama Star and Herald, Apr. 26, 1963]

REPUBLIC OF PANAMA SETS JULY DEADLINE FOR CANAL ZONE ACCORDS—CHIARI READY TO DISSOLVE COMMISSION

Panama has decided to dissolve the joint commission reviewing points of dissatisfaction in its relations with the United States by mid-July unless—

1. Pending questions have been settled by then, or
2. The commission becomes a negotiating body for a new treaty.

This is what Foreign Minister Galileo Solis in effect said he told U.S. Secretary of State Dean Rusk at their meeting Tuesday in Washington.

The mid-July deadline will mark the completion of 1 year of discussion by the Joint Commission.

Solis said yesterday Rusk had told him that immediate attention will be given to pending matters with a view to providing a solution during the month of June. The Foreign Minister reported to a press conference yesterday afternoon 12 hours after his return from Washington.

Because of the obsolete condition of the present Panama Canal, the Foreign Minister said, which must be replaced by a new waterway by 1980, the United States will have to enter into negotiations for a new treaty in 2 years' time at the most. He said this estimate is based on the fact that such negotiations would take from 2 to 3 years to complete and that actual construction would require from 8 to 10 years.

Any new treaty, Solis said, would be on the basis of Panama's retaining jurisdiction over the Canal Zone.

Throughout his statement, Solis insisted that there was no agreement during his visit with Rusk for dissolving the present Commission by mutual accord, but rather the flat statement by Panama—conveyed to the Secretary of State—that it will close the Commission if by mid-July the pending issues are not settled. Solis said the Commission could continue functioning beyond July if the United States agreed to start negotiations for a treaty by them.

The Joint Commission was appointed by President Chiari and Kennedy following the former's official visit in Washington in June 1962. It held its first meeting in mid-July 1962, and the pending issues were explained by Foreign Minister Solis.

Display of the Panamanian flag in the Canal Zone: Panama asked for such display in civilian installations, military posts and ships transiting the Panama Canal. Agreement has been reached only on display of the flag in civilian installations.

Corridors under Panamanian jurisdiction of the Pacific and Atlantic side: Panama has asked for corridors on both sides so that people may cross from one side of the Canal Zone to the other without leaving Panamanian jurisdiction. Pending approval by the United States is the Pacific side corridor which would extend along Fourth of July Avenue the Balboa Bridge and Thatcher Highway to Arraijan. The location of the Atlantic side corridor has yet to be determined.

Labor questions: The minimum wage in the Canal Zone is being raised to 70 cents an hour this July and to 80 cents an hour next July, but Panama still insists that it be fixed at \$1 per hour. This is not the only aspect, however. The present wage curve in the Canal Zone develops slowly and suddenly shoots upward, with Panamanians at the low end and North Americans at the higher end. Panama would like to have a straight line rather than a curve.

On the question of minimum wage raises, the Canal Zone Government has been announcing such increases at a unilateral action, rather than as a joint agreement. This leaves the door open for future removal of such raises.

It has been agreed that a binational commission will be set up to handle labor conflicts in the Canal Zone involving Panamanians. The commission would be composed of two Panama and two Canal Zone members, appointed by the President and the Governor, respectively.

One of the first proposals made by the United States was for payroll deductions in the Canal Zone for Panama income tax from salaries of Panamanian employees. The procedure for these payroll deductions is practically worked out, but President Chiari has taken the position that it should not be enforced until after the wage raises go into effect. Panama is pressing for the 80-cent wage to become effective prior to July 1964, so that the \$1 salary, if agreed upon, will start in mid-1964.

Panama wants the security classification eliminated from Canal Zone jobs, maintaining that there should be no discrimination against Panamanian citizens as to these jobs if they meet the same conditions required of U.S. citizens.

Stamps: The United States has accepted in principle the use of Panamanian stamps in the Canal Zone. Panama is of the opinion that the Taft convention, under which Panamanian stamps exclusively

were used in the Canal Zone from 1904 to 1924, should be revived. But the U.S. proposals involve conditions which are onerous and which leave the door open for the use of U.S. stamps. Panama cannot justify any agreement in this connection which would amount to less than the Taft convention.

Ports: Panama wants restitution of the ports in Panama City and Colon, which were dismantled at the time that Balboa and Cristobal were established. As to the Atlantic side, there is agreement in principle that—pending an agreement to change the Canal Zone boundaries—piers 6 and 7 in Cristobal would be turned over to the Colon Free Zone along with the France Field reservation, on the other side of Folks River Bay, to help the expansion of the Free Zone and the city of Colon, now hemmed in.

Elimination of commercial and industrial activities in the Canal Zone: This is a delicate and difficult issue, inasmuch as there are conflicting opinions in Panama. The maximum aspiration of Panama would be for the Government of the United States to quit being a merchant and that all commercial activities be in private hands under Panamanian law. This maximum aspiration would be included in a new treaty, since Panama would retain jurisdiction over all its territory and consequently there would be no commissaries.

There has been a Panamanian proposal—still unanswered—that all goods sold in the Canal Zone be purchased through Panama.

As to industrial activities, the United States has withdrawn from some but retains others. Panama feels that the Government of the United States should cease being baker, dairyman, etc., and argues that while the basis of North American economy is free enterprise, there is no free enterprise in the Canal Zone where everything is state operated.

Spanish language: Not yet formally proposed, but already indicated is Panama's demand that Spanish be recognized, along with English, as an official language in the Canal Zone.

Lands: There are large tracts of land in the Canal Zone which are not required for the operation of the Panama Canal. Panama has asked for the return of these unused lands which are suitable for farming and cattle projects and are advantageously situated to the country's principal markets.

Water: This question came up during the Solis-Rusk meeting in Washington. Rusk inquired what the problem was about and Solis replied: "It's our water and you take it and sell it to us." (The reference was to the fact that the water sold to Panama by the Canal Zone comes from the Chagres River.)

At the start of the press conference, Foreign Minister Solis gave this background:

When President Chiari visited the White House in June 1962, a Joint Commission was created which President Kennedy himself termed a "high level" Commission. The Commission began its review of treaty matters in mid-July 1962. At the time that the Commission was created, no limitation was placed on what could be discussed and Panama was left free to submit any point whatever of dissatisfaction in its relations with the United States.

Hardly had the Commission begun to work than a situation arose which had not been entirely foreseen: That the U.S. Government

was not ready to discuss terms for an entirely new treaty. The U.S. position was that the studies for a sea-level canal were not yet complete.

It was agreed then that in order not to delay consideration of points arising from existing treaties, the Commission would take up such questions which could be settled directly by U.S. Presidential action without the intervention of the Congress.

Panama filed its claims. The discussions developed slowly because, on the U.S. side, the Commission was not the "high level" body that President Kennedy had named, for neither U.S. Ambassador Joseph S. Farland nor Canal Zone Gov. Robert J. Fleming, Jr., (the two U.S. Commissioners) had been authorized to reach conclusions, but had to refer every detail—even to language—to the Department of State.

President Chiari felt that the first phase of the Commission's work—settlement of the problems which could be solved by Presidential action—should be completed by now. So Foreign Minister Solis was sent to Washington to tell the Secretary of State that President Chiari feels that he cannot continue with the Commission after 1 whole year had been devoted to questions of small importance.

President Chiari has decided that an effort should be made to have all pending issues cleared before the Commission completes 1 year of discussions, but if this effort proves unsuccessful he has decided to close the Commission and then report to the people of Panama on the reasons for his action.

Rusk also was told in President Chiari's behalf that in addition to the fact that 1 year was more than sufficient to clear up matters of lesser importance (than a new treaty), the political campaign was underway in Panama and these matters should be out of the way by the time the campaign got in full swing.

Rusk replied, according to Solis, that he understood President Chiari's position and that an effort should be made to solve the pending matters.

Thus, Solis explained, the Commission should complete its work by mid-July, when the 1-year deadline specified by President Chiari expires.

Before leaving Washington, Solis said he left a memorandum for Rusk outlining the pending questions and the memorandum was personally delivered to the Secretary of State yesterday by the Panamanian Ambassador in Washington.

On the question of a new treaty, Solis said Panama is not pressing for it now because the determination if a sea level canal will be built will have much to do with the type of treaty that is negotiated. But Panama does feel, he added, that if the Commission's work is completed during June, it will be time then to make definite pronouncements with respect to the new treaty.

Solis declared—

I have always felt that our relations with the United States can be resolved only by one means—that of negotiation. And negotiation requires skill and tact. Many times, precipitudo spoils the skill in handling negotiations * * *. It is sometimes better to get to the end slowly, than to attempt to rush through and be left at the halfway point.

He said that prior to the National Assembly's sessions in October President Chiari may be able to tell the country Panama's exact position with respect to a new treaty with the United States and do it so

clearly and completely that no succeeding administration will deviate from that line.

Solis declared that he told Rusk that time is past in Panama when treaties can be signed behind the people's back, as was done in 1903, and that no administration would run the risk of negotiating a treaty which would be rejected as happened in 1926 and 1947.

Asked if Panama had fixed a deadline for the start of treaty negotiations, Solis replied that a country which proposed negotiations was in no position to set deadlines. But in this case, he pointed out, circumstances favor Panama. The present waterway is regarded as obsolete and must be replaced by 1980. If construction of a new canal will take from 8 to 10 years and negotiation of a new treaty will require from 2 to 3 years, this means that the United States will be required to enter into new negotiations at the most in 2 years' time.

Asked about Washington reports that he and Rusk had agreed to dissolve the Commission by June 1, Solis denied this. He repeated that the situation is that unless the Commission completes its work during the month of June or it is transformed into a treaty negotiating body, then Panama will proceed to dissolve it.

A newsman asked if Solis felt that the Commission would be able to settle all pending issues by the end of June taking into account that in 9 months' time it had accomplished little. He replied that if the U.S. Commissioners show a willingness to work to that end, there will be time to find solutions.

The Foreign Minister said that on President Chiari's expressed request he had told Secretary Rusk that if the United States is thinking of a new treaty for a new canal it should propitiate a favorable climate by—

- (1) quickly solving all pending problems; and
- (2) providing really effective aid for the country's economic development.

A newsman pointed out, in connection with aid, that perhaps that help has not been forthcoming because the United States feels that any assistance provided Panama would only serve to make the rich richer and the poor poorer. Solis replied that there were two distinct types of aid as far as Panama is concerned: One, the Alliance for Progress help which would be furnished on the same basis as it is provided to all other Latin American countries; the other, the aid Panama demands because it is not receiving adequate benefits from the operation of the Panama Canal in its territory. Whatever the type, however, Solis concluded, it should be utilized for the needy classes, and not for the well to do who are capable of looking out for themselves and required no protection from the state.

[From the Panama American, Apr. 26, 1963]

FLAG ON MILITARY POSTS, SHIPS, BRIDGE CONTROL AIMS OF REPUBLIC OF PANAMA

The Chiari administration wants to see the Panama flag flying on all U.S. military installations in the Canal Zone and on all ships going through the Panama Canal, as soon as possible.

Foreign Minister Galileo Solis said yesterday that Panama hopes for an agreement on this and other issues pending since last July will be reached by next June.

Another issue on which Panama hopes for early approval is that of jurisdiction of the Thatcher Ferry Bridge and the highway through the Canal Zone to Arraijan on the west bank of the canal?

Agreement and subsequent approval of these measures by the U.S. State Department will depend upon how much can be accomplished by the high level commission appointed by President Chiari and President Kennedy a year ago this month.

Solis said the Commission which has been meeting periodically since last July has only been able to get approval for only two of the several issues presented by Panama.

Solis said the Commission—comprised of Canal Zone Gov. Robert J. Fleming, Jr., U.S. Ambassador Joseph S. Farland, Dr. Octavio Fabrega, and Solis—did not have full authority and had to get approval from the State Department to change even a comma in a press communique or agreement.

Solis made these disclosures at a press conference yesterday afternoon. He had arrived early yesterday morning from Washington where he met with U.S. Secretary of State Dean Rusk and other State Department officials.

Before calling the press conference at noon yesterday, Solis met privately with Chiari in a meeting that lasted some 2 hours.

Solis said the only two issues which had been solved by the Commission were the flying of the Panama flag at civil installations in the Canal Zone and the matter of exequaturs for foreign consuls.

Questioned about the remarks attributed to Fleming during the hearing of the House Merchant Marine and Fisheries Committee, Solis indicated that he did not feel there was any evil intent in Fleming's statement and added that he preferred to await an official report on the hearing before making any judgment.

Fleming was quoted as saying that Chiari had welched on his promise to pay Panama's water bills promptly and that it would be "dubious" if Panama would be prompt on the payment of charges if Canal Zone piers were leased to Panama.

Other unsolved issues listed by Solis, and which the commission is expected to agree upon by next June, are:

"Corridors" on both sides to enable traffic from one side of the Canal Zone to the other without leaving Republic of Panama jurisdiction. The Pacific side corridor would extend along Fourth of July Avenue, the Thatcher Ferry Bridge, and Thatcher Highway to Arraijan. The location of the proposed Atlantic side corridor has not been determined.

Panama insists that the minimum wage on the Canal Zone be increased to \$1 an hour. Canal Zone agencies announced that it will be raised to 70 cents in July and 80 cents in 1964, but Solis said the administration is pressing for the 80-cent minimum to be enforced this year.

Panama also wants the establishment of a straight line wage system instead of the current curve which develops slowly and drastically skyrockets with Panamanians at the low end and U.S. citizens at the higher end.

A binational commission to solve labor disputes in the Canal Zone in which Panamanians are involved. This commission would be formed of two Panama and Canal Zone representatives, to be named by the President and the Zone Governor.

Procedures for payroll deductions in the Canal Zone for Panama income tax from the salaries of Panamanian workers have been approved. However, the Republic of Panama President feels that the arrangement should not be enforced until wage increases go into effect.

Panama is striving for the elimination of so-called security jobs which he said were greatly increased in number following the approval of the 1955 treaty.

Panama wants the Taft Convention, under which Republic of Panama stamps exclusively were used on the zone from 1904 to 1924, to be revived.

Panama wants restitution of Panamá City and Colon ports which were dismantled with the establishment of Balboa and Cristobal. Regarding the Atlantic side there is an agreement in principle, dependent on an agreement to change Canal Zone boundaries, that piers 6 and 7 at Cristobal would be turned over to the Colon free zone, along with France Field, to provide expansion of the free zone and the city of Colon.

Elimination of commercial and industrial activities on the Canal Zone. The maximum goal would be for all commercial activity on the zone to be placed in private hands under Panamanian laws. This goal would be attained through a new treaty since Panama would have full jurisdiction over all its territory.

Panama has made a proposal that all goods sold on the zone be purchased through Panama. There has been no response to this proposal so far.

Panama is also opposed to the state-operated business policy which exists on the Canal Zone. Some industrial activities have been eliminated, but Panama feels there are others which should cease.

Panama has indicated its desire that Spanish be recognized as an official language on the zone, along with English.

Panama wants the return of large areas of unused lands, not required for the operation of the Panama Canal, which are suitable for farming and cattle projects and are situated close to the Republic's principal markets.

Solis told U.S. Secretary of State Dean Rusk during the former's visit to Washington that the United States takes Panama's water and sells it back to the Republic. This was in reference to the fact that water sold to Panama by the Canal Zone comes from the Chagres River.

[From the Panama Star and Herald, Apr. 30, 1963]

REPUBLIC OF PANAMA MISSION LEAVES FOR WASHINGTON TALKS; WILL DISCUSS COMPENSATION PENDING TREATY

A Panamanian mission leaves early today for Washington, D.C., to discuss interim compensations for Panama for the operation of the Panama Canal pending a review of existing treats.

Planning Director David Samudio and Prof. Ruben D. Carlos, Jr., of the University of Panama, compose the mission. They will be joined in Washington by Panamanian Ambassador Augusto G. Arango.

Official sources have indicated that Panama is asking for \$10 million a year during 5 years, which is the time that Panamanian officials estimate will elapse before a new Panama Canal Treaty is negotiated.

President Roberto F. Chiari is understood to have outlined the proposal to President John F. Kennedy at the Presidents' Conference in San Jose, Costa Rica, last March.

Panama's official position is that construction of a new canal will require a new treaty. They estimate that about 5 years will elapse before this occurs is based on the generally accepted prospect that by 1970 the United States must have made the decision for replacement of the present waterway. Panamanian officials figure that actual treaty negotiations would take about 3 years and that in order to meet the 1970 deadline the United States would have to undertake negotiations in approximately 2 years' time.

The interim compensation, in Panama's view, would cover the fair benefits this country claims it is not receiving now under the present canal treaties. They would be separate from any Alliance for Progress financial assistance.

The Panamanian mission is expected to start discussions with U.S. officials in Washington late this week. The proposed compensations would be invested, according to official sources, in highway construction and electrification of rural areas principally.

[From the Panama Star & Herald, Apr. 30, 1963]

SOLIS SAYS "THINGS NEVER LOOKED BETTER" FOR PANAMA

Foreign Minister Galileo Solis said yesterday "things never looked better for us" in the matter of a review of treaty relationships with the United States.

He made the statement while answering questions on whether his recent announcement that Panama proposed to dissolve the current joint Panama-United States Commission by mid-July indicated a collapse of negotiations with Washington.

The Foreign Minister said that was not the case:

Whatever the outcome of the discussions in the 2 coming months—

He declared—

either of the parties may undertake the steps necessary for the negotiation of a new treaty, whether within the present Commission on itself raised to the status of plenipotentiaries, whether within a new specially appointed commission, or whether by direct government-to-government approach.

I believe, sincerely, that the situation is not despairing for Panama, but on the contrary, never have things looked better for us.

It is not that I believe that our Foreign Ministry is doing anything out of this world. It is simply that times have changed in international relations in favor of right and justice for the small nations, including Panama.

At a press conference last week, Minister Solis said Panama proposed to dissolve the present Joint Commission by mid-July unless (1) pending issues were settled by then, or (2) the Commission became

a treaty negotiating body. Asked to clarify conflicting interpretations of his statement, Minister Solis said:

In practice, the work of the present Commission was divided into two phases, not foreseen initially: One, finding a solution to Panama's points of dissatisfaction which could be solved without entering into an examination of the basic issues of the existing treaties; and two, the basic issues which can be solved only through a new treaty that would replace those already in existence.

I went to Washington—

Solis added—

with instruction from President Chiari to inform Secretary of State Dean Rusk that the Government of Panama felt that the work corresponding to the first phase should be concluded before the Commission completed 1 year since its installation and that to this end it was necessary to make an effort to solve those questions still pending before the Commission for which a quick solution can be found.

I must say that I found on the part of the Secretary of State a clear understanding of Panama's position and that he expressed to me his acquiescence that all possible should be done to solve the issues still pending in the Commission.

Solis pointed out that the Commission will complete 1 year July 12: hence Panama proposes to dissolve it around that date, regardless of the outcome of the discussions during May and June.

But, he explained, after the Commission suspends discussions in mid-July, the second phase—negotiations for a new treaty—can be opened by either country. When that is done, he added, the negotiations can be carried on through the present Commission, if the Governments so desire, or through a new Commission, or through direct exchanges between the Governments.

[From the New York (N.Y.) Daily News, Apr. 27, 1963]

PANAMA PRESSES US

PANAMA, April 26.—Panama has given the United States until mid-July to settle differences between the two countries or open negotiations for a new canal treaty. Foreign Minister Galileo Solis, who has just returned from Washington, said Secretary of State Rusk assured him the United States will try to solve pending matters during June. Panama demands a number of rights in the U.S.-controlled Canal Zone and seeks more economic aid.

[From the Evening Star, Washington (D.C.), Apr. 26, 1963]

PANAMA SETS DEADLINE FOR ACCORD ON CANAL

PANAMA, April 26.—Panama has given the United States until mid-July to settle differences between the two countries or open negotiations for a new canal treaty.

Otherwise, Foreign Minister Galileo Solis told a news conference yesterday, Panama will quit the joint commission set up nearly a year ago to work out agreements on disputes.

Mr. Solis, who had just returned from Washington, said Secretary of State Rusk assured him the United States will try to solve pending matters during June. Panama demands a number of rights in the

U.S.-controlled Canal Zone and seeks economic development aid apart from what it is getting under the Alliance for Progress.

[From the St. Petersburg Evening Independent, May 7, 1963]

EQUAL PAY FOR PANAMA CANAL EMPLOYEES OR ELSE

PANAMA CITY, PANAMA.—Panama is getting impatient at U.S. failure to resolve longstanding problems involving the Panama Canal.

Foreign Minister Galileo Solis has set a mid-July deadline for satisfactory conclusion of talks between the United States and Panamanian Government negotiators here.

If, by then, such matters as the salary discrimination against Panamanian employees of the U.S. Government-run Panama Canal Company have not been solved, Panama is going to insist on a complete revision of the treaties between the two countries.

Authoritative sources here say that Solis' warning does not mean that Panama is going to seize the 50-mile-long interocean waterway, like Nasser did the Suez Canal.

But it could mean that steadily improving relations between the United States and Panama of the last 2½ years will take a turn for the worse.

The question of payment of U.S. citizens employed by the Canal Company on the "gold standard" and of Panamanian citizens, doing the same type of work, on the "silver standard" is one that has plagued the two countries for years.

"No issue has aroused more bitterness in Panama," a U.S. report on U.S. relations with Panama stated in August 1960. The problem dates back more than half a century, to the period when the canal was being dug.

During the construction period, there were separate housing areas, schools, and commissaries in the Canal Zone to cater to the Americans working there on the one hand and to the Panamanians and Negroes on the other.

It was not until 1936 that the United States agreed in a treaty then "to assure to Panamanian citizens employed by the canal or the railroad equality of treatment with employees who are citizens of the United States of America."

In 1948, officially the gold and silver standards were dropped. But the Canal Company began paying at the "U.S. rate" and the "local rate." While, in theory non-U.S. citizens were eligible for U.S.-rate jobs, actually only 4 percent of the positions were filled by Panamanians.

In 1953, in 1955, in 1958, in 1960, and again last year, U.S. spokesmen have pledged, in the words of the communique issued at the conclusion of last summer's talks between Presidents Kennedy and Chiari, "to solve such labor questions in the Canal Zone as equal employment opportunities, wage matters, and social security coverage."

Those were among the problems undertaken by the joint Panama-United States Committee of Presidential Representatives set up last year.

In the past, it has been popular here in Panama to blame the Governor of the Canal Zone who is also the President of the Panama Canal Company for the situation.

Now, however, Maj. Gen. Robert J. Fleming, Jr., who holds the two posts, has spoken out in favor of the "slaughter (of) some sacred cows," including discrimination in salaries between U.S. citizens and Panamanians working on the canal.

Fleming has publicly voiced his objection to the "belief that any accommodation with Panama is a 'sell-out' of U.S. interests."

He protests that "legalistic adherence to 60-year-old treaties," such as that between United States and Panama which covered the construction of the vital Panama Canal, is unwise.

Fleming's statement, made prior to announcement of Panama's mid-July deadline, indicate U.S. Government representatives, on the spot, here in Panama, are aware of the urgency of the situation.

[From the Christian Science Monitor, May 20, 1963]

U.S. PACT SEEN PANAMA AIM

(By Ralph K. Skinner)

PANAMA CITY.—Panama has thrown down the gauntlet to the United States. It has set a time limit in July for the United States to make certain concessions.

The question here is whether the United States will fight the demands or concede. For the United States to ignore the veiled threat of President Chiari to bring the people into the streets would be naive.

After his return from Washington recently, Foreign Minister Galileo Solis reported to the press on his conversation with Secretary of State Dean Rusk.

Mr. Solis said President Chiari sent him to Washington to express discontent with the "high level Commission" appointed last July by Presidents Kennedy and Chiari to iron out differences between the two nations.

The Commission was composed of Foreign Minister Solis, former Foreign Minister Octavio Fabrega, U.S. Ambassador Joseph Farland, and Canal Zone Gov. Robert J. Fleming, Jr.

GROUND RULES SET

According to the ground rules announced, these high level representatives were to resolve problems existing between the two nations within the framework of existing treaties. These problems were expected to be settled on the local level.

At the outset the Panama press incorrectly described the commission as "treaty negotiators," which they were not. Local journalists vied in enumerating Panamanian aspirations to be consummated in these "negotiations."

Foreign Minister Solis reported the items presented to the Panamanian representatives which have not as yet been totally accepted by the United States. He stressed the demand to fly the Panamanian

flag on U.S. military reservations in the Canal Zone and on ships transiting the Panama Canal. He mentioned use of Panama stamps in the Canal Zone.

OBJECTIVES HINTED

These are seen as patriotic symbols to win backing from the people of Panama. It is said the real objectives of the discussions are economic ones intended to benefit the ruling merchant class and the monopolistic industries owned by members of the oligarchy.

Among these points would be elimination of commercial and industrial activities in the Canal Zone, operated almost exclusively by the U.S. Government; transfer of certain lands in the Canal Zone to Panama; and a minimum wage in the Canal Zone of \$1 an hour.

Panama has a minimum wage of 40 cents, paid by some concerns in the capital city and 25 cents generally throughout the country, but the Panama Government does not pay even the minimum wages. It is reliably reported that owners of vast farms and ranches in the interior of Panama, such as the Chiari sugar interests, pay less than a dollar a day to employees.

MANAGED NEWS

The people of Panama are beginning to question the actions of their rulers, but it is hard for them to get the facts because of the misleading propaganda and information sources which are almost 100 percent controlled.

Six or seven individuals, through absolute control of Panama's press and radio, determine what the people read and hear. These few individuals have the ability to turn the public passion on or off. They did it in the deliberately directed riots against the Canal Zone in November 1959.

Some observers here see Mr. Solis' remarks about reporting to the people as an insinuation of a similar mob action.

A sign of things to come was seen when a newsman at the Foreign Minister's press conference asked if assistance from the United States would make the "rich richer and the poor poorer." Grassroots contemplation of this is growing, and the increasing discontent of the poor, both employed and unemployed, may erupt spontaneously, even though there is no capable leadership.

ECONOMIC GAINS

The Foreign Minister announced that Panama will be completely satisfied if the four-man Commission becomes a negotiating body for a new treaty. A new treaty, with enormous economic advantages for Panama, is the real target of the demands, a Government official disclosed.

The United States is unlikely to agree to a new treaty until a decision has been reached about constructing a new sea level canal at Panama, utilizing nuclear excavation methods to gain speed and effect substantial savings.

Informed sources say it may be 2 or 3 years before the United States makes a decision on this matter. Panama wants treaty negotiations to

start as soon as possible. And, in the meantime, every possible concession will be wrung from the United States, according to the reliable local sources.

[From the U.S. News & World Report, May 13, 1963]

THE MONROE DOCTRINE: DEAD OR ALIVE?

The official Soviet view is that the Monroe Doctrine is "dead." But a group of Soviet Embassy staff members who visited the James Monroe Memorial in Fredericksburg, Va., April 30, got an argument on that score from an expert—Laurence Gouverneur Hoes.

Mr. Hoes is president of the memorial foundation, and a great-great-grandson of President Monroe. He also is the author of articles and a frequent lecturer on the subject of the Monroe Doctrine—a warning to European powers against encroachments in the Western Hemisphere, voiced by the fifth President in 1823.

Mr. Hoes presented Igor K. Kolosovsky, a counselor at the Soviet Embassy, with a copy of his ancestor's message and asked the diplomat to send it to "Mr. Khrushchev and tell him the document is very alive."

The gesture touched off a spirited discussion. Mr. Kolosovsky said "the document is completely dead." Others took up the chant.

"It got you out of Cuba," Mr. Hoes said, referring to the removal of Soviet missiles and bombers from Cuba last autumn. And he offered to bet "we'll get you Russians completely out of Cuba."

The visitors declined the bet but protested that the Monroe Doctrine was "an imperialistic document designed to keep Latin America under U.S. control."

Mr. Hoes replied that Russian diplomats and trade officials have greater freedom "to trade, barter, and sell" in Latin America than Americans are given in Iron Curtain countries.

"That took some of them aback," Mr. Hoes reported later. He also recounted this exchange during the argument:

"I don't think," Mr. Hoes said, "that Mr. Khrushchev would start firing his missiles over anything that might befall Castro and Cuba."

"I don't think so either," replied one Soviet functionary.

Mr. Bow. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to my distinguished friend from Ohio, who, I assure you, knows this subject well and completely.

Mr. Bow. I have followed the leadership of my friend from Pennsylvania who really knows this problem, for many years, and I agree with him in what he has to say now and what he has said in the past. I wonder, however, if perhaps the gentleman might agree with me to one exception in what he has just said. From my experience in the Canal Zone it seemed to me that when the Governor of the Canal Zone was one, Joe Potter, that a good job was done. I remember how he used his efforts to stop raids upon the Canal Zone, and I think he did a good job.

Mr. FLOOD. There is no doubt whatsoever that what the gentleman from Ohio says is correct. But Gen. Joe Potter is the same kind of not only two-starred but two-fisted general who could be equaled in what he was trying to do and did do only by the distinguished gentleman

from Ohio. Joe Potter was a great guy, and a great general, and did a great job. But he was an exception to the rule, believe me.

Mr. BOW. But I wanted that exception noted. I want to say to the gentleman that Joe Potter is now retired and a civilian. If I were picking an Ambassador to Panama, or a new Governor, and could appoint a civilian or a retired officer, Joe Potter is the type of person I would want to see in that position.

Mr. FLOOD. I would take the gentleman from Ohio [Mr. Bow] first and then Joe Potter. And then I think everything would be fine. I would like to see the gentleman from Ohio as the Ambassador and Joe Potter as the Governor. Then for the first time in 50 years the people of the United States could go to bed at night secure in the knowledge that the Canal Zone and the sovereignty of the United States would be preserved. As of now there is no feeling of certainty or security whatsoever. The sooner these two characters who are representing us there as Ambassador and Governor and on this Commission are removed the happier and better off the United States will be in Panama.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. Of course, I yield to the gentleman from Tennessee.

Mr. EVINS. The gentleman knows that I serve on the Public Works Appropriations Subcommittee. We had General Fleming before us this year.

Mr. FLOOD. Oh, you did?

Mr. EVINS. He tells us that the United States has yielded in its policy and now the Panamanian flag is being flown with the American flag at 14 points in the Panama Canal.

Mr. FLOOD. And if it were up to this fellow it would be flown all over the Panama Canal and the Canal Zone; because this is what happened. This House on a rollcall vote of 381 to 12 adopted a resolution declaring that it was the will of the House that the flag of Panama be not flown anywhere in the Canal Zone. And a week after that was passed I took the floor of this House and said to the House—we were about to adjourn and you will recall I said that within 30 days after we adjourned, the President of the United States would issue an Executive order authorizing the flying of the flag of Panama on the sovereign territory of the United States. And within 30 days after we adjourned President Eisenhower issued an Executive order; and now the present administration, to make matters worse, has permitted it to be flown in a dozen other places.

Mr. EVINS. The gentleman is correct. It was authorized first by the previous administration.

Mr. FLOOD. That is correct.

Mr. EVINS. To be flown in one place—maybe at the city hall. It is being flown in 14 or 15 spots all over the Canal Zone and there are increasing demands for other concessions.

Mr. FLOOD. The present Governor of the Canal Zone is a full-fledged butcher in the sense that he is engaged in what I refer to as salami diplomacy; he is slicing up and giving away that Canal Zone bit by bit under the ridiculous assumption that our little brown brothers to the South will be satisfied. He is just giving them more and more and more. Now we are at the bottom of the barrel and there just "ain't no more" to give away.

Mr. EVINS. An effort is being made to take over the U.S. ports and charge our American shipping for the use of our own ports. I might say that the General has too many responsibilities. He wears three hats. He is Governor of the Panama Canal. He is President of the Panama Canal Zone and he is on our Commission, appointed by the President, to serve with the Ambassador. Perhaps he has too many duties.

Mr. FLOOD. He wears three hats and as Governor he does not have brains or head enough to wear one.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. To the gentleman from Florida, of course.

Mr. HALEY. I do not think we are going to get any action in Panama or any place else until we have in Panama another Cuba. The gentleman from Pennsylvania [Mr. FLOOD] has continually warned about the situation down there. I am sure he knows as much about it as any man in the Congress of the United States, and probably more. Through his warnings he has constantly tried to bring to the attention to the Executive and the Congress what the situation is, and those warnings have gone unheeded. Regretfully I must say this; I do not think we will have any action in Panama until we have a second Cuba.

Mr. FLOOD. Of course what my friend from Florida says is so. I had the great good fortune, as he knows, to be raised in Florida, as a St. Augustinian. I am not a "damn Yankee"; I am just a Yankee, I am only half bad. So in his backyard, so to speak, as to this problem not only of Cuba but the canal, he can be assured that this beatnik in the Caribbean with that fringe around his chin, is executing the No. 1 policy of the Soviet in this hemisphere, which is to acquire the canal, which is our jugular vein for hemispheric defense.

Mr. FLYNT. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Georgia.

Mr. FLYNT. I would just like to say that I think the gentleman from Pennsylvania has done his usual excellent job in calling to the attention of the House of Representatives and the American people the dangers which are inherent in the current situation in Panama. I have listened attentively not only today but on previous occasions when the gentleman from Pennsylvania has discussed the dangers which beset our sovereignty and the overall position of the United States with regard to the Panama Canal Zone.

Several months ago while on official business in the Panama Canal Zone I received indications that negotiations were beginning to take place then concerning the relinquishment of additional rights which the United States had by treaty and by law in the Canal Zone. The statement which the gentleman from Pennsylvania has made today bears out that those indications were indeed accurate predictions of events which have since transpired.

I think it is the duty and the responsibility of those of us who serve in the Congress of the United States not only to listen attentively to the warnings which are made here today by the gentleman from Pennsylvania but to take the necessary action to translate these feelings into official policy of the U.S. Government.

I join with the gentleman from Pennsylvania in urging early and affirmative action on House Concurrent Resolution 105.

Mr. FLOOD. The gentleman is from Georgia, one of the 13 Colonies and our southern anchor in those days. He speaks in the very best American tradition.

You might like to know that several years ago when I was sitting on the Appropriations Subcommittee for the Department of Commerce, which involves other "cats and dogs" which they had in the Commerce Department, which my friend from Ohio knows, as he sits on that subcommittee, along with the Panama Canal Zone for budgetary purposes, the then Government of the zone was before our committee, and it was a hot, humid Washington afternoon, just as it is today, when we did not have all this air conditioning, and out of the miasma of the heat and fog I heard this witness say something about the railroad. And coming up out of a dream or a sleep or whatever I was in at that time, I found out he was presenting to our committee evidence in which we were getting ready to give away the railroad to the Republic of Panama. I found out later on that certain trucking interests in the great State of California were interested in seeing that this was done. Now was not that just ducky? Well, it was not done—because Congress stopped it. But I will tell you what they did do. In the other body, late one afternoon, in considering a revision of the treaty with Panama, they gave away—now this you will not believe—well, you will—you have been here a long time, you will believe anything—but for the people who have not been here for a long time—there are two or three new people here—let me tell you—they gave away the terminal buildings on the Atlantic coast and on the Pacific coast. You think I am kidding. So now the United States of America owns and operates a railroad without any terminal buildings. And you ought to see the condition of those beautiful terminal buildings that we built and used to maintain. You ought to see them today. They are an unholy mess—a pig sty. Why American pig sties look like Tiffany's window compared to the terminal buildings now under the jurisdiction of the Republic of Panama.

And at the same time, and they insisted upon this as a very important sovereign right which was vital and necessary when we made the treaty in 1903, to preserve sanitation, because of malaria and diseases that you can imagine—Panama insisted more than anything else that they have the right to collect their garbage. So, by golly, we gave them the right to collect their garbage. And there is not a street in the capital of Panama today, in Panama City, that is not piled up to your nose with garbage. They want to run the canal and they cannot even collect their own garbage. The people in Panama would be tickled to death if they could relinquish this sovereign right back to us. Now by administrative action—and these two Americans on the Commission are seriously considering it, believe me, they want to give away the terminal piers in the Atlantic port and in the Pacific port—piers that are owned by us to the Republic of Panama, and we are to pay for the transaction. They want to drive a corridor through the Canal Zone at our expense, to be maintained by us, to be turned over to the Republic of Panama. A few months ago we just opened a \$25 million bridge over the canal, the Thatcher Ferry. They want us and these two U.S. Commissioners are negotiating—to turn over the \$20 million brandnew bridge to Panama—everything at our expense. They insist that we

set up all over Panama something that we do not have in our own country—a full and complete civil defense system for the protection of the citizens of Panama—at our expense. Now there is a litany of things like this that they want. Within the last year we have agreed to permit Panamanian postage in the U.S. Canal Zone. We have permitted documentation of foreign consuls in the Canal Zone with the imprimatur of the Republic of Panama to foreign consuls. They now are insisting that there be compulsory arbitration before the World Court of any issues between the United States of America and Panama—compulsory arbitration.

In the World Court sits a distinguished statesman from the Republic of Panama. The reputation and the operation and the attitude of the World Court under circumstances like this, vis-a-vis the United States, if we go in there with compulsory arbitration we will get our brains knocked out in behalf of the Republic of Panama. Make no mistake about that.

Mr. Speaker, these are some of the many things that this commission is now negotiating seriously with Panama. And, to rub salt into the wound, the President of Panama has sent an ultimatum, if you will, in writing to the United States of America setting a deadline within which time—and it is within a week or two—these demands of this commission must be met. He did not say “or else.” Do not forget that the week after Nasser took over the Suez that there were Panamanians from their foreign office in Cairo asking “How do you run a canal, Mister? You took one. How do you do this? How do you take a canal from a big empire? Thirty days later, for the first time, Egypt had an embassy in Panama City, and it is still there and tripled in personnel.

Mr. Speaker, the president of the city council of the capital of Panama is a Communist and there is a person by the name of Thelma King, a Member of the Congress, the House of Representatives, in Panama, who has declared openly time and time again that she is a rabid follower of Castro. She is running back and forth to Havana like a Greyhound bus. I wish she would come into the zone so we could get a look at her baggage and see what is in it. I know what we have found in some of the baggage coming into that area a few years ago. You know what I mean. Thelma does. She has said on the floor of their House that if and when there is a revolution in Panama blood will have to flow, people will have to be executed, because unfortunately that is the way those things are best done. Quite a gal, Thelma, and as Red as her petticoat.

Mr. Bow. Mr. Speaker, will the gentleman yield to me at that point?

Mr. FLOOD. To the gentleman from Ohio, yes.

Mr. Bow. Is this the same Thelma King that the U.S. Army decorated at the suggestion of the Ambassador of the United States?

Mr. FLOOD. As my friend from Georgia would say, “It sho’ ’nuff is; it sho’ ’nuff is.”

Mr. Bow. Received a decoration from the Government of the United States, and she is everything the gentleman from Pennsylvania has said, and more. How ridiculous can we be?

Mr. FLOOD. Yowsah. Yowsah. Yousah.

Mr. REID of New York. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from New York.

Mr. REID of New York. Mr. Speaker, I think the gentleman for yielding.

Mr. Speaker, I just want to associate myself with the earlier remarks of my distinguished friend, the gentleman from Ohio [Mr. Bow], with respect to the former Governor General, Joe Potter. I had the privilege of serving on the Panama Canal Company as a Director at the time Joe Potter was Governor.

Mr. FLOOD. I remember that; yes.

Mr. REID of New York. And I can only state that in my opinion he was one of the ablest the United States has ever had representing it in a key post. He showed an engineering knowledge, administrative ability, and diplomatic skill in a very sensitive post. I believe he well upheld the interest of the United States while trying to resolve those matters that were pertinent as between the Canal Zone and the Government of Panama.

If we had more Joe Potters in the Corps of Engineers, I would recommend to the gentleman most highly that he be given every consideration for appointment as Governor of the Canal Zone because, in my judgment, he is and has been outstanding.

Mr. FLOOD. That is what cost him his job. Everything that my friend has said is true. If you want to hear member from the isthmus, I could not have said that better myself, and that is a pretty high compliment, you know. But it cost Joe Potter his job. They cut his head off. They fired him because he was as good as you and I know he was.

Mr. REID of New York. I thank the gentleman for his remarks with regard to Joe Potter. I lost touch with the Panama Canal Company when I went overseas and served in Israel, but I did wish to pay a personal tribute to Joe Potter, because he was outstanding, and the record should so state.

Mr. FLOOD. I congratulate the gentleman, and I put it in your lap from now on, and this time you cannot get away from it.

Mr. CASEY. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. Yes, I yield to my friend from Texas.

Mr. CASEY. I want to commend the distinguished gentleman for calling again to the attention of the House, and it is not the first time he has done it, the gradual erosion in our sovereignty over the Canal Zone.

Mr. FLOOD. That is a good word. "Erosion" is a good word in this case.

Mr. CASEY. And I want to solicit your very vigorous support for a bill that I have introduced to stop one of these inroads. There is a proposal that the Governor has in mind to stop using Canal Zone stamps and to use Republic of Panama stamps and just overprint them with "C.Z." In my opinion, that would be a further relinquishment of our sovereignty over the Canal Zone and a further bowing down to the demands that have been continually made there.

Mr. FLOOD. My friend, that is being done now. I have taken this up with the congressional Committee on Postal Matters and I have been

advised that under existing law in the State Department they can do this administratively. That is why I know you are acting, because it has been done administratively. I will certainly support your bill, because you are trying to do in your way what I am trying to do in mine, which is stop this erosion of our sovereignty. And what is more sovereign, what in the world is a greater symbol of national sovereignty, than the flag? The flag of the United States of America is the accepted international symbol of our sovereignty. Yet in the Canal Zone the Panamanian flag flies with ours.

Mr. CASEY. If the gentleman will yield further, as you will recall, this House passed a resolution against the flying of the Panamanian flag.

Mr. FLOOD. That is correct.

Mr. CASEY. And it was again done by Executive order.

Mr. FLOOD. I commented on that a half an hour ago at some length and, if I can say modestly, vehemently.

Mr. CASEY. I am sure you did.

Mr. FLOOD. If I were not in this Hall, I would probably comment in another language, if you know what I mean.

Mr. CASEY. Again I want to commend the gentleman for his efforts.

Mr. FLOOD. I thank you.

Mr. CHELF. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. Yes, I will be glad to yield to the gentleman.

Mr. CHELF. I would like to associate myself with the distinguished and able gentleman from the State of Pennsylvania. He has been the watchdog of this very crucial, vital spot in our Nation's history. He has forgotten more accidentally than all of those fellows down there trying to run the place know on purpose. I for one am going to follow your leadership in the future as I have in the past, because, as I say, you are a great American in my book. You know what is going on, and we are behind you all the way.

Mr. FLOOD. I am glad to have my friend from Kentucky say that. I knew him when he did not wear shoes. He came here with me, I think 100 years ago it seems now, right out of the Army. I think the only clothes he had on his back were the khaki pants he was wearing when he got off the ship. But then as now a great patriotic American.

Mr. Speaker, I yield back the balance of my time.

Mr. TUPPER. Mr. Speaker, I wish to commend the distinguished gentleman from Pennsylvania for his remarks and for his untiring efforts to prevent the surrender of U.S. sovereignty in the Panama Canal Zone. This is a matter that every Member of Congress should interest himself in.

In April of this year a hearing was held on a bill introduced by the gentlewoman from Missouri, Congresswoman Sullivan, the very able chairman of the House Subcommittee on Panama Canal, which would prevent any new concessions by the U.S. Government in respect to the Panama Canal Zone without authorization of Congress.

This bill, H.R. 3999, provides that no activity included in an approved budget for the Panama Canal Company shall be discontinued and no real property interest used in such activity shall be disposed of except to another U.S. Federal agency, unless specifically authorized through a new or revised budget program.

On April 29, I stated in a release to my constituents that the United States should not at this critical time relinquish any control or direction over piers, docks, or roads in the Canal Zone.

Any further concessions to the Republic of Panama in respect to the canal would not diminish rising nationalism; on the contrary, it would merely encourage new demands. In my opinion the United States should insist on adherence to the treaty between the United States and Panama.

As a member of the Subcommittee on Panama Canal, I urge Members to support appropriate bills and resolutions to halt the threatening deterioration of U.S. sovereignty in the Canal Zone.

[From the Congressional Record, 88th Cong., 1st sess., Sept. 26, 1963]

CONTINUED LIQUIDATION OF PANAMA CANAL: CONGRESS MUST ACT

Mr. FLOOD. Mr. Speaker, over a period of years, I have addressed this body on numerous occasions about the Panama Canal, emphasizing the crucial question of the exclusive sovereign rights, power, and authority of the United States over the Canal Zone. There is little new that could be added to what has already been presented.

For the benefit of new Members of the Congress, however, and the Nation at large, it is well to stress that starting with the 1936 treaty with Panama, ratified in 1939, and continuing up to the present time, there has been developed by certain elements in the Department of State a consistent pattern for the liquidation of the Panama Canal enterprise through the process of piecemeal erosion of its juridical and diplomatic foundation. This method is in line with the openly proclaimed Soviet objective of wresting control of the Panama Canal from the United States by means of its nationalization by Panama or through its internationalization. This program, which has been implemented by the well-known Soviet form of conquest through negotiations, is much further advanced than is generally realized and still continues despite all previous efforts in the Congress to stop it.

The latest action by the Department of State in this direction was publicized on July 23, 1963, by a joint communique about diplomatic discussions in Panama between United States and Panamanian representatives, which Members of the Congress have read with amazement.

Two points in this communique are truly shocking. One is to the effect that the United States is now preparing proposals to submit to Panama for consideration as an agreement for transferring jurisdiction to that country over a corridor across the Pacific end of the Canal Zone, consisting of the new Thatcher Ferry Bridge across the canal at Balboa and the two connecting highways, 4th of July Avenue to Panama City and the Thatcher Highway to Araiian, all of which are in the Canal Zone and were built by the United States at its own expense. The other point is that our Government is also preparing the terms of an agreement for the transferring to Panama of piers 5 and 7 at Cristobal.

What is the significance of these two proposals? Regardless of what terms may be devised for inclusion in the agreements, the cession of the corridor would give to a foreign government a highway across an area vital for the operation and protection of the Panama Canal and lay the basis for future grave problems. The loss of piers 6 and 7 would deprive the canal of these major marine structures essential for meeting the needs of world commerce.

Mr. Speaker, the Committee on Merchant Marine and Fisheries, alert to the contemplated cannibalization of Panama Canal facilities and

against bureaucratic opposition, decided to stop all giveaways of U.S. land and property in the Canal Zone and, on June 5, it reported favorably on H.R. 3999 to prohibit such surrenders of U.S. land, rights, and property. The House, on July 8, passed this measure unanimously and it was sent to the Senate, with referral to the Committee on Armed Services. For these actions, Mr. Speaker, the Committee on Merchant Marine and Fisheries deserve the thanks of the Congress and the Nation.

Moreover, as I have previously stated, the very idea of giving such vital property of the United States to a country that cannot collect its own garbage is unthinkable. While I do not wish to depreciate the importance of removing garbage from the streets of Panama City and Colon, the Congress has a far more serious problem of removal to effect—that of those in positions of power in our Government, who, motivated by ignorance, timidity, or worse considerations, are collaborating in undermining our isthmian policy and paving the way for the complete liquidation of U.S. control and operation of the canal.

In view of the legislative history of H.R. 3999, the actions of the Department of State in the indicated joint communique on July 23, following the unanimous passage of the bill by the House, reflects an arrogant contempt on the part of certain elements in the Department of State and others who may be involved for the Congress and the sovereign people of the United States. As such, it is a direct challenge to every cognizant committee of the Congress, both House and Senate. If this challenge is not met, Mr. Speaker, the process of conquest through negotiation and piecemeal liquidation of the Panama Canal can only end in the ultimate destruction of all U.S. rights, power, and authority over the Canal Zone and withdrawal from the isthmus. This, no doubt, would be taken as a signal for worldwide communistic revolutionary takeovers of constitutional governments, especially in Latin America. Besides, the entire world is watching and waiting to see what the next move of the United States at Panama will be, for the Panama Canal, no less than Berlin or Formosa, is recognized as an index of our determination to stand up for our just rights, power, and authority.

The picture that I have painted is dark and the peril is imminent. It is true that to the extent our people are learning the truth, they are voicing their oppositions. This, however, is not sufficient, for the danger lies in the fact that elements in the executive branch, which have heretofore scorned any action of the Congress on the subject, will enter into agreements for liquidation that will prove difficult to overcome. Hence, the Congress must continue, in every possible way, to prevent the consummation of the monstrous proposals now under consideration.

In these connections, to aid and encourage the Congress in taking the protective steps required, I would urge our people and the civic and patriotic organizations of the Nation to address their individual Representatives and Senators in protest against the proposed betrayal at Panama. In justification for such letters, the taxpayers have a vested interest in the canal enterprise of approximately \$1.5 billion. They also know that the canal is the key factor for the defense of the Western Hemisphere and they will never assent, if informed, for the surrender of the canal to any other country or authority, especially at

this dangerous time in world affairs and without compensation of any kind.

The U.S. representatives on the recent United States-Panama diplomatic commission were U.S. Ambassador to Panama Joseph S. Farland and Gov. Robert J. Fleming, Jr., of the Canal Zone. It was the amazing conduct of these two officials that caused me to call for their removal from office. Because the Ambassador has resigned, I now reiterate my call for the resignation or removal of the Governor of the Canal Zone. In this connection, Mr. Speaker, since the historic reasons for appointing only active engineer officers of the Army no longer apply, I urge the appointment as Governor, who also serves as President of the Panama Canal Company, of an able civilian with administrative capacity as the prime criteria.

The situation in the Canal Zone is now verging on chaos. Our own citizens there who are the ones who actually carry the heavy burden of maintenance and operation of the Panama Canal have been degraded by certain State Department and Army officials and the groundwork has been laid for further erosions. To terminate what is a deplorable state of affairs, the Congress must act and act now.

To this end, I propose the following program:

First. Prompt action by the Senate on H.R. 3999 to end all giveaways in the Canal Zone.

Second. Immediate passage by the House of House Concurrent Resolution 105 to clarify and make definite U.S. historic isthmian policy, which is now before the House Committee on Foreign Affairs.

Third. Stop all Department of State measures affecting the Panama Canal pending full inquiries by the Congress.

Fourth. Conduct exhaustive investigations into the formulation and conduct of our isthmian policy including the sustained erosions of U.S. rights, power, and authority over the canal enterprise and the identity of the individuals responsible.

As partial documentation for the foregoing statements, I include the indicated press release and excerpts from House Report No. 363 as part of my remarks.

JOINT COMMUNIQUE RESULTING FROM DISCUSSIONS IN PANAMA BETWEEN UNITED STATES AND PANAMANIAN REPRESENTATIVES

President John F. Kennedy and President Roberto F. Chiari, of the Republic of Panama, agreed, during President Chiari's visit to Washington on June 12-13, 1962, to appoint high level representatives to discuss points of dissatisfaction concerning certain aspects of the treaties between the United States and Panama governing the Panama Canal. The results of these discussions, held in Panama, were summarized in a joint communique and aide-memoire issued as State Department press release No. 17 on January 10, 1963: and in the following final joint communique issued by the two Governments today:

JOINT COMMUNIQUE

The representatives designated by the Presidents of the Republic of Panama and of the United States of America to discuss points of dissatisfaction between the two countries with regard to the Canal Zone,

in terminating their sessions, wish to make public that, since the issuance of the last communique on January 10, 1963, the following results have been obtained with the authorization of their respective Governments:

1. Agreement has been reached on the creation of a Bi-National Labor Advisory Committee, composed of representatives of Panama and of the United States, which will consider labor disputes which may arise between Panamanian employees and the authorities of the Canal Zone and will advise the Government of Panama and the Governor of the Canal Zone thereon.

2. The U.S. Government has prepared a draft bill for presentation to the Congress of the United States which would make available to Panamanian employees of the U.S. Government in the Canal Zone the same governmental health and life insurance benefits as are available to the U.S. citizen employees.

3. There has been full discussion of the steps taken by the Canal Zone authorities to implement treaty obligations with regard to equal employment opportunities. Various aspects of the wage scale have been discussed. The minimum wage in the Canal Zone, which was increased to 60 cents per hour on April 1, 1962, was increased again to 70 cents per hour on July 1, 1963, and will be increased to 80 cents per hour on July 1, 1964, together with proportionate increases in the entire wage structure for all employees. The Panamanian representatives have requested greater increases.

4. The United States has agreed to deduct, withhold, and remit to the Government of Panama the sums owed for income tax by employees who are required to pay income tax to the Republic of Panama and who work for the Panama Canal Company or any other agency of the U.S. Government in the Canal Zone.

5. The Panamanian representatives, with the object that there may be continuous jurisdiction from the capital city to the rest of the territory of the Republic, have requested that the jurisdiction over a corridor comprising Fourth of July Avenue, the bridge over the canal, and the road to Arraijan, be transferred to Panama. The U.S. representatives indicated that the United States is preparing proposals to submit to Panama for consideration for an agreement covering this matter.

6. The Panamanian representatives have requested that piers 6 and 7 in Cristobal be licensed to the Colon free zone. The U.S. representatives have indicated that the U.S. Government is preparing the terms of an agreement for consideration by Panama.

EXCERPTS FROM HOUSE REPORT No. 363

PURPOSE OF THE BILL

The purpose of the bill H.R. 3999 is to assure to the Congress information concerning the operation of the Panama Canal Company, as contemplated by the enabling legislation which established it as the instrumentality operating the Panama Canal.

BACKGROUND OF THE LEGISLATION

In 1951, the Congress reorganized the business activities associated with the Panama Canal and transferred them to the Panama Canal Company, which was constituted as a Government corporation, the sole stockholder of which was the President of the United States. At that time the governmental functions were entrusted to the Canal Zone Government and the Panama Canal Company was charged with conducting the business affairs in such fashion as to derive sufficient income to defray all of its expenses. As a part of its activities it operates the Panama Canal, the Panama Railroad, a steamship line between New Orleans and the Canal Zone, commissaries for its employees, and piers over which all of the freight destined for the Canal Zone, as well as by far the greater part of the freight destined for the Republic of Panama, is handled.

The ordinary affairs of the Company are reported to the Congress through usual budgetary procedures with appropriate action by the Committee on Appropriations on its annual budget.

During a recent visit of a subcommittee of the Committee on Merchant Marine and Fisheries to the zone, it appeared that the Company was endeavoring to transfer two of the three piers actively in use on the Atlantic side to interests connected with the Republic of Panama. The piers are in active use producing a net revenue for the Company of approximately \$1 million per year. The transfer to Panama was sought to be justified on the ground that it would satisfy that Republic's nationalistic aspirations.

The President of the Panama Canal Company recognized the fact that such transfer would be by way of lease or license since an outright transfer of property located in the Canal Zone could only be achieved by a treaty. The President of the Company frankly stated that such a transfer could be justified only as an element in the foreign policy of the United States and that he was acting with the cooperation of the Department of State in seeking to effect the transfer.

NEED FOR THE LEGISLATION

On learning of these facts, H.R. 3999 was introduced. The purpose of the bill is to require submission of any such actions to the Bureau of the Budget and the appropriate committee of Congress.

In the course of its hearings the committee was informed that the transfer of the piers was only one of a series of transactions none of which would be beneficial to the Panama Canal Company as a business enterprise. Without commenting on the desirability of action such as this, the committee is of the view that the establishment of the Panama Canal Company as a business enterprise contemplated its operation as such and to the extent that corporate assets are required to be transferred to Panama for other than Company benefit, that appropriate action by the Congress or a treaty should be the medium by which it is accomplished.

Among other things, the committee learned that potable water is presently furnished to the Republic of Panama at less than the cost of its treatment and that even on these terms the Republic is some \$2.3 million in arrears on its payments.

It is the view of the committee that these types of transactions were not within the contemplation of the Congress when it established the Panama Canal Company as a Government corporation in 1951 and that this bill will insure that the Company is prohibited from divesting itself of assets without the knowledge of Congress.

In the course of the hearings, the President of the Company pointed out that the word "activity" in the bill would forbid the Company from discontinuing an operation such as recapping tires for its civilian employees. It is not the intent of the bill to interfere with the ordinary functioning of the Panama Canal Company as a business enterprise, but it is intended solely to prevent discontinuance of activities or divestment of assets which will have a major impact upon the operation of the Company as a business enterprise.

AMENDMENT TO THE BILL

In the course of the hearings it appeared that the words in the bill designed to inhibit such action were not sufficiently inclusive, for which reason the committee amended it to provide that disposition or transfer could not be made by license, lease, or otherwise.

The committee recommends the enactment of this legislation to assure that the Congress shall have information concerning major changes in the operation of the Panama Canal Company.

DEPARTMENTAL REPORTS

Reports of the Comptroller General of the United States and the Panama Canal Company on H.R. 3999 are as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, March 28, 1963.

B-120359.
B-124794.

HON. HERBERT C. BONNER,
Chairman, Committee on Merchant Marine and Fisheries, House of Representatives.

DEAR MR. CHAIRMAN: Your letter of February 26, 1963, requests our views on H.R. 3999.

The bill would amend section 66 of title 2 of the Canal Zone Code by adding a new paragraph (d) as follows:

(d) Subject to paragraph (c) of this section no activity included in an approved budget program prescribed by section 102 of the Government Corporation Control Act (31 U.S.C., sec. 847) shall be discontinued and no real property or rights to the use of real property used in such activity shall be disposed of or transferred except to another agency of the United States Government unless specifically authorized through approval of a new or revised budget program or otherwise.

Title 66 of the Canal Zone Code now reads as follows:

§ 66. Specific powers of Company

(a) Subject to the Government Corporation Control Act (31 U.S.C., sec 841 et seq.), the Panama Canal Company may:

- (1) maintain and operate the Panama Canal;
- (2) construct, maintain, and operate a railroad across the Isthmus of Panama;

(3) construct or acquire, and operate, vessels for transportation of passengers or freight, and for other purposes;

(4) construct or acquire, establish, maintain, and operate docks, wharves, piers, harbor terminal facilities, shops, yards, marine railways, salvage, and towing facilities, fuel-handling facilities, motor-transportation facilities, power systems, water systems, a telephone system, construction facilities, living quarters, and other buildings, guest houses, warehouses, storehouses, a printing plant, commissaries, and manufacturing, processing of service facilities in connection therewith, laundries, dairy facilities, restaurants, amusement, and recreational facilities, and other business enterprises, facilities, and appurtenances necessary and appropriate for the accomplishment of the purposes of this chapter;

(5) make or furnish sales, service, equipment, supplies, and materials, as contemplated by this chapter, to:

(A) vessels;

(B) agencies of the Government of the United States;

(C) employees of the Government of the United States; and

(D) any other governments, agencies, persons, corporations, or associations eligible to make or receive such purchases, services, supplies, or materials under the laws prevailing at the time and the policies heretofore or hereafter adopted consistently with those laws;

(6) use the United States mails in the same manner and under the same conditions as the executive departments of the Federal Government; and

(7) take such actions as are necessary or appropriate to carry out the powers specifically conferred upon it.

(b) Subject to subsection (c) of this section the Company may not undertake any new types of activities not included in the annual budget program prescribed by section 102 of the Government Corporation Control Act (31 U.S.C., sec. 847), except those which may be transferred to it pursuant to section 62(c) (2) of this title.

(c) If, during a period when the Congress is not in session, the board of directors, or the president of the Company, with the concurrence of as many of the directors as may be consulted without loss of time unreasonable in the circumstances, declares an emergency to exist, the Company may undertake recommended appropriate action within the scope of this chapter, without regard to the restriction imposed by subsection (b) of this section. A report on the emergency activity shall be presented promptly to the Congress, when it reconvenes, for its approval and such action as it may deem necessary or desirable with respect to reimbursement through supplemental appropriation of funds to cover costs or losses arising from the emergency.

While the withdrawal of discretionary authority to discontinue an activity as proposed by the bill is a policy matter for determination of the Congress we have certain comments to offer which may be helpful to the committee.

We understand informally that the primary purpose of the bill is to prevent the Panama Canal Company from granting a license to a private concern of the Republic of Panama to operate certain company-owned ship repair facilities located in Balboa Harbor as an effort to stimulate industrial activity in that country.

Since the operation of the ship repair facilities in question (Balboa) was discontinued several years ago (being now maintained in an idle plant status) and are not now included as an activity in the approved budget program of the Panama Canal Company, it would appear that the wording of the bill in its present form would not accomplish the purpose sought to be achieved. Concerning the language in line 9, page 1, of the bill, we suggest the insertion of the words "license or" before the word "use."

Perhaps the purpose of the bill could more readily be accomplished by amending section 66 of the Canal Zone Code so as to only restrict the disposal of real property or the transfer of the right to license or

use real property, thus not disturbing the existing authority of the Panama Canal Company to determine which of the many and varied activities should be continued as necessary or essential to the operation of the Panama Canal.

Ten copies of our report are enclosed as requested.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

PANAMA CANAL COMPANY,
OFFICE OF THE PRESIDENT.
Balboa Heights, C.Z., April 18, 1963.

HON. HERBERT C. BONNER.

Chairman, Committee on Merchant Marine and Fisheries, House of Representatives, Washington, D.C.

DEAR MR. BONNER: This is in response to your request for a report on H.R. 3999 which was introduced on February 21, 1963, by Mrs. Sullivan and referred to the Committee on Merchant Marine and Fisheries.

The subject bill would amend section 66 of title 2 of the Canal Zone Code (76A Stat. 11) by adding thereto a new subsection (d) reading as follows:

(d) Subject to paragraph (c) of this section no activity included in an approved budget program prescribed by section 102 of the Government Corporation Control Act (31 U.S.C. § 847) shall be discontinued and no real property or rights to the use of real property used in such activity shall be disposed of or transferred except to another agency of the United States Government unless specifically authorized through approval of a new or revised budget program or otherwise.

For the reasons developed below, the Panama Canal Company opposes enactment of H.R. 3999.

The Panama Canal Company exists "as a body corporate and as an agency and instrumentality of the United States" for the purposes of "maintaining and operating the Panama Canal and of conducting business operations incident thereto and incident to the civil government of the Canal Zone * * *" (2 C.Z.C. 61(a)). To enable the Company to carry out such purposes, the Congress has conferred upon it in its charter broad general powers such as the Congress customarily confers upon corporate Federal agencies (2 C.Z.C. 65) and a diverse and broad range of specific powers, including operation of the Panama Canal, the Panama Railroad, steamships, docks, wharves, piers, harbor terminal facilities, shops, yards, marine railways, salvage and towing facilities, fuel-handling facilities, motor transportation facilities, power systems, water systems, a telephone system, construction facilities, living quarters and other buildings, guesthouses, warehouses, storehouses, a printing plant, commissaries, and manufacturing processes or service facilities in connection therewith, laundries, dairy facilities, restaurants, amusement and recreation facilities, and other business enterprises, facilities, and appurtenances "necessary and appropriate for the accomplishment of the purposes of * * *" the Company's charter (2 C.Z.C. 66(a) (1), (2), (3), (4)). All of the types

of activities specifically mentioned in the cited provisions of the Company's charter are in the fact presently conducted by the Company.

The new subsection which would be added to the Company's charter by H.R. 3999 would require, as a first restriction, congressional approval "through approval of a new or revised budget program or otherwise" before the Panama Canal Company could discontinue any "activity included in an approved budget program prescribed by section 102 of the Government Corporation Control Act (31 U.S.C. 847)." The language "or otherwise" presumably contemplates specific statutory enactment of authorization for discontinuance of an activity.

Section 102 of the Government Corporation Control Act, which sets forth requirements for preparation of an annual business-type budget, requires inter alia that the budget statements include "estimates of operations by major types of activities * * *." A similar reference to section 102 of the Government Corporation Control Act is presently contained in subsection (b) of section 66 of title 2 of the Canal Zone Code, which subsection sets forth the restriction on the Company's undertaking any new types of activities not included in the annual budget program prescribed by section 102. The Panama Canal Company considers that the reference in that subsection (b) to section 102 has the effect of limiting the restriction contained in that subsection to "major" types of activities. However, it is not clear that the restriction on discontinuance of activities that would be established under the proposed subsection (d) that would be added by H.R. 3999 would be similarly limited to "major" types of activities, inasmuch as even the relatively subsidiary or minor activities of the Company are normally in practice reflected in its budget presentation and it might be argued that if they are in fact reflected in the annual budget program they may not thereafter be discontinued except in accordance with the congressional approval that would be required by proposed subsection (d). Therefore, it is strongly recommended, if the Congress should be disposed to consider favorably enactment of H.R. 3999 notwithstanding the Company's views, that specific language be included in the proposed subsection limiting the effect of this first restriction to "major" activities or specifically mentioning the specific major activities that are not to be discontinued without prior congressional approval; e.g., the canal, the Panama Railroad, the steamship, etc.

This first restriction that would be imposed upon the Company by the proposed new language that would be added by the subject bill would in terms be upon the discontinuance of a Company activity. It is not clear whether the prohibition upon the discontinuance of an activity would comprehend likewise the substantial curtailment of an activity. It would seem clear that any curtailment of an activity which was so substantial as to amount in practical fact to an abandonment of the activity, would be deemed to be a discontinuance under the proposed new subsection. But beyond that, uncertainty exists. Thus, if the Company were to determine as to a given minor activity conducted by it; e.g., the service of recapping tires, that it would continue such service insofar as its own official vehicles are concerned but that it would no longer make such service available to residents of the Canal Zone generally, on the finding that adequate facilities existed in Panama,

would such a curtailment of the tire-recapping activity constitute a "discontinuance" under the proposed new subsection? In addition, as to activities such as the operation of the commissaries by the Company, there would be present the question whether the elimination of particular items or classes of items from the scope of items offered for resale would constitute a discontinuance within the meaning of the proposed new subsection. From these examples it is evident that the problem as to what would be a "discontinuance" is closely related to the more basic problem of what would constitute an "activity" within the meaning of the proposed new subsection (d). In view of this consideration, it is strongly urged that, if the bill should be given favorable consideration, it be limited either to "major" activities or to specified major activities.

In addition to restricting the discontinuance of Company activities, the proposed new subsection would also provide, as a second restriction, that no real property or rights to the use of real property "used in such activity" shall be disposed of or transferred except to another agency of the U.S. Government without the prior approval of the Congress through approval of a new or revised budget program or otherwise. The term "such activity" refers to any activity included in an approved budget program. In view of the broad construction that may be given the term "activity" as used in the subject bill, as discussed above, the net effect of this second restriction would be to forbid the Company's disposition or transfer, by sale, lease, or license (except to another Government agency), of any of the Company's property that is or might become "foreign excess property" within the meaning of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472), without prior congressional approval, either through inclusion of the proposed sale, lease, or license in an approved budget program or through enactment of specific authorizing legislation.

The proposed new subsection (d) that would be added to section 66 of title 2 of the Canal Zone Code by the subject bill would provide that the restrictions are subject to subsection (c) of the same section. Subsection (c) provides that, during periods when the Congress is not in session, the Board of Directors, or the President of the Company with the concurrence of as many of the Directors as may be consulted without loss of time unreasonable in the circumstances, declares an emergency to exist, the Company may undertake recommended appropriate action within the scope of the Company's charter, without regard to the existing restriction imposed on the commencement of new types of activities by subsection (b) of that section. The reference to subsection (c) is evidently intended to establish the same emergency exception in the case of the proposed restrictions on the discontinuance of Company activities and on the sale or transfer of property as presently obtains in connection with the initiation of new Company activities under subsection (b). From a technical standpoint, to accomplish that purpose fully, it would be necessary to amend also subsection (c) of the section by adding an internal reference therein to the proposed new subsection (d), since subsection (c), as it now exists, includes an internal reference only to subsection (b) of the section.

The Panama Canal Company opposes enactment of H.R. 3999 as an undue and unnecessary restriction on the management of the Company.

Congress has created Government corporations in order to enable the Government, when it undertakes a program predominantly of a business nature, to render service and discharge its obligations to the public as nearly as is possible in the same manner as a private business would do so. Flexibility with respect to management and expenditures is essential when requirements change with customer demand or in the light of changing economic conditions. The necessity for such management flexibility is particularly apparent in the case of a corporation such as the Panama Canal Company which is authorized to, and does conduct, a large number of diverse business-type activities. Under its charter, and in the light of treaty stipulations governing the nature and purpose of the Canal Zone, the Company is perforce the "butcher, baker, and candlestick maker" to the some 50,000 residents of the Canal Zone. From time to time it becomes uneconomic to operate some of these activities because of lack of customer demand or because the supplies or services can be obtained more economically in the Republic of Panama. In connection with enactment of the Government Corporation Control Act, it was stated in Senate Report 694 of November 2, 1945, that "It is generally agreed that the corporate form loses much of its peculiar value without reasonable autonomy and flexibility in its day-to-day decisions and operations." The restrictions upon management flexibility would be, it is submitted, clearly at variance with the generally accepted reasons for establishment of corporate bodies, and would undesirably involve the Congress in the detailed management of the diverse activities of the Company.

The restriction on disposition or transfer of real property would have the uneconomic effect of precluding the Company's realization of revenues through the prompt licensing of real property that is temporarily excess to its needs and would likewise delay the sale of real property assets determined to be permanently excess to the Company's needs until the congressional approval requisite under the bill could be obtained. The Company routinely licenses space in buildings and the use of other real facilities which are excess to its immediate needs to private businesses, churches, recreational and fraternal organizations, employee organizations, and other entities authorized to conduct their activities in the Canal Zone. (Land itself is licensed by the Canal Zone Government, not the Panama Canal Company and neither agency leases or sells land in the Canal Zone (2 C.Z.C. 333, 334: 76A Stat. 25, 26).) If these routine licenses had to be deferred until their approval could be obtained either in an approved budget program or by specific statutory authorization, the efficient use and management of the Company's foreign excess property would be substantially impaired. Similarly, if the sale of real-property facilities had to be so deferred, corresponding economic loss to the Company would result. The scope of the restriction on disposition or transfer of real property is so broad that it would preclude an unapproved sale or license of foreign excess property even though it is entirely unrelated to any discontinuance of an activity. The restriction thus appears to go far beyond the central purpose of the bill and unnecessarily would involve the Congress in detailed operations of the Company.

It is respectfully submitted that no need exists for adoption of the restriction on the Company's management authority that the proposed

legislation would enact. The Congress has created more than 40 wholly owned Government corporations, and so far as this office is aware, none of such corporations has been subjected to a restriction of the kind that the proposed legislation would impose. There is no record in the management of the Panama Canal Company under its charter of any failure to continue to operate the supporting facilities and services necessary to carry out the primary mission of the Company the operation of the canal. All Government agencies are of course under injunction to limit Federal expenditures by economizing wherever possible, and to be required to continue any activity of the Company beyond the time that the necessity for it exists, or to inhibit the efficient disposition of excess property, would of course be uneconomic and therefore contrary to the basic objective of economy in Government operations.

The Panama Canal Company further submits that enactment of the proposed legislation would have a potentially serious and adverse effect upon our relations with the Republic of Panama. Items 9 and 10 of the memorandum of understandings reached, accompanying the 1955 treaty between the United States and Panama, provide as follows (6 U.S.T. 2273, 2336):

9. With respect to the manufacture and processing of goods for sale to or consumption by individuals, now carried on by the Panama Canal Company, it will be the policy of the United States of America to terminate such activities *whenever and for so long as* such goods, or particular classes thereof, are determined by the United States of America to be available in the Republic of Panama on a continuing basis, in satisfactory qualities and quantities, and at reasonable prices. The United States of America will give *prompt consideration* to a request in writing on the part of the Government of Panama concerning the termination of the manufacture or processing of any goods covered in this item as to which the Government of Panama may consider the criteria specified in this Item to have been met.

10. Prompt consideration will be given to withdrawing from the handling of commercial cargo for transshipment on Canal Zone piers so soon as Panamanian port facilities are in satisfactory operation in Colon.

It will be seen that the United States has committed itself in item 9 with respect to the manufacture and processing of goods for sale to or consumption by individuals by the Panama Canal Company, to discontinue such activities under stated circumstances (and for so long as the circumstances continue to exist), the existence of which depends upon factual findings that are in turn dependent upon changing conditions within the Republic of Panama regarding the availability of various products and other changing circumstances. The Company's ability to make the necessary adjustments under item 9 promptly would be impaired by enactment of the subject legislation, and damage to relations with Panama would likely result in the event of serious delay in discontinuing the manufacture and processing of goods once the facts calling for the discontinuance of such manufacture or processing were established. To have to go to Congress for specific authority in a case in which the discontinuance had not been reflected in the Company's budget program would likely be viewed by Panama as a delaying tactic. Likewise, similar considerations would apply with respect to the discontinuance of pier operations under item 10 of the memorandum of understandings reached.

In view of the foregoing considerations, the Panama Canal Company does not favor enactment of H.R. 3999. From the purely technical point of view, it is noted that the reference in the bill to "paragraph (d)" and to "paragraph (c)" should instead be to "subsection (d)" and "subsection (c)" in order to conform with the usage in the remainder of section 66 and with the usage in the Canal Zone Code generally. In addition, as already noted, subsection (c) of section 66 should be amended to expand the internal reference to subsection (b) to include a reference to the proposed new subsection (d) if the bill should be favorably considered.

The Bureau of the Budget has advised that it has no objection to the submission of this report to the Congress.

Sincerely yours,

ROBERT J. FLEMING, Jr.,
President.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, as amended, changes in existing law made by the bill as reported are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman) :

SECTION 66 OF TITLE 2 OF THE CANAL ZONE CODE

§ 66. Specific powers of Company

(a) Subject to the Government Corporation Control Act (31 U.S.C., sec. 841 et seq.), the Panama Canal Company may:

(1) maintain and operate the Panama Canal;
(2) construct, maintain, and operate a railroad across the Isthmus of Panama;

(3) construct or acquire, and operate, vessels for the transportation of passengers or freight, and for other purposes;

(4) construct or acquire, establish, maintain, and operate docks, wharves, piers, harbor terminal facilities, shops, yards, marine railways, salvage and towing facilities, fuel-handling facilities, motor-transportation facilities, power systems, water systems, a telephone system, construction facilities, living quarters and other buildings, guest houses, warehouses, storehouses, a printing plant, commissaries, and manufacturing, processing or service facilities in connection therewith, laundries, dairy facilities, restaurants, amusement and recreational facilities, and other business enterprises, facilities, and appurtenances necessary and appropriate for the accomplishment of the purposes of this chapter;

(5) make or furnish sales, services, equipment, supplies, and materials, as contemplated by this chapter, to:

(A) vessels;

(B) agencies of the Government of the United States;

(C) employees of the Government of the United States; and

(D) any other governments, agencies, persons, corporations, or associations eligible to make or receive such purchases, services, supplies, or materials under the laws prevailing at the time and the policies heretofore or hereafter adopted consistently with those laws;

(6) use the United States mails in the same manner and under the same conditions as the executive departments of the Federal Government; and

(7) take such actions as are necessary or appropriate to carry out the powers specifically conferred upon it.

(b) Subject to subsection (c) of this section, the Company may not undertake any new types of activities not included in the annual budget program described

by section 102 of the Government Corporation Control Act (31 U.S.C., sec. 847), except those which may be transferred to it pursuant to section 62(c)(2) of this title.

(c) If, during a period when the Congress is not in session, the board of directors, or the president of the Company, with the concurrence of as many of the directors as may be consulted without loss of time unreasonable in the circumstances, declares an emergency to exist, the Company may undertake recommended appropriate action within the scope of this chapter, without regard to the restriction imposed by subsection (b) of this section. A report on the emergency activity shall be presented promptly to the Congress, when it reconvenes, for its approval and such action as it may deem necessary or desirable with respect to reimbursement through supplemental appropriation of funds to cover costs or losses arising from the emergency.

(d) *Subject to paragraph (c) of this section no activity included in an approved budget program described by section 102 of the Government Corporation Control Act (31 U.S.C., sec. 847) shall be discontinued and no real property or rights to the use of real property used in such activity shall be disposed of or transferred by license, lease, or otherwise except to another agency of the United States Government unless specifically authorized through approval of a new or revised budget program or otherwise.*

[From the Congressional Record, 88th Cong., 1st sess., Oct. 22, 1963]

CANAL ZONE CRISIS: PLAN FOR ACTION

Mr. FLOOD. Mr. Speaker, over a period of years in addresses before this body and elsewhere, I have dealt at length with the danger zone in the Caribbean, in which the Panama Canal is the key target in the long-range program for Soviet revolutionary conquest of that strategic area. As those who have followed this subject closely know, the sovereign rights, power, and authority of the United States over the canal enterprise are being subverted through the salami process of piecemeal erosion. Aided, if not instigated, by international Socialist elements in the Department of State, this program of liquidation is far more advanced than the people of our country and the Congress have been permitted to know. The inevitable result of such denial of news has been that growing numbers of our patriotic citizens instinctively suspect that something is seriously wrong with the conduct of our Isthmian policy. Moreover, they are writing letters asking searching questions as to how the succession of surrenders at Panama, made or contemplated, are going to affect the ability of the United States in meeting its treaty obligations for the maintenance, operation, sanitation, and protection of the Panama Canal. Also they are demanding that the Congress take the necessary steps to clarify and make definite our Nation's interoceanic canal policy. So far as my information goes, the American people are practically a unit in their emphatic demand that our Government retain in full vigor the indispensable authority and control over the Canal Zone with respect to its sacred treaty obligations.

In contrast to what I have observed as a rising tide of patriotism, there is a spirit abroad in the world today, including the United Nations, which strongly favors not only internationalization of the Panama Canal, but also the abrogation of the Monroe Doctrine in its entirety. This doctrine, designed for the protection of all the Americas and in the past so promptly and effectively upheld by the actions of Presidents Cleveland and Theodore Roosevelt, has greater need of enforcement today than ever. Unless it is fully enforced, the failure to do so will lead to the complete communistic revolutionary takeover of all Latin American and West Indian countries.

HISTORIC CARIBBEAN POLICY OF UNITED STATES

What is the historic policy of the United States as regards the defense of our interoceanic canal against aggression? Evolved after more than a century's experience in meeting the problems of the Caribbean danger zone, it is extensively recorded in our diplomatic history and epitomized in treaty.

In brief, it is not to yield to any power, or combination of powers, the control of the Panama Canal or of the approaches to it, or to per-

mit the securing of my position, either on the mainland or on the islands of the Caribbean, that would interfere with the protection of the canal by the United States, menace our country's communications, or destroy our integrity or prestige. This policy, involving as it does the inherent right of defense, is basic; and any threat to it is a challenge to the United States as well as to all Latin American and West Indian countries, and cannot be safely ignored.

This policy, Mr. Speaker, proclaimed to the world in thoughtful diplomatic papers by some of our greatest statesmen, is recorded in the libraries and chanceries of all important powers.

What were some of the implementing policies of which I speak?

ELIHU ROOT AND CUBAN SECURITY

One of the important tasks facing the United States following the Spanish-American War was that of aiding the people of Cuba to set up a constitutional government to replace the military government. For this, it was fortunate that one of our country's greatest lawyers was the Secretary of War—Elihu Root.

Understanding the strategic significance of the Caribbean to hemispheric security, Secretary Root realized that Cuba, located on the northern flank of the Atlantic approaches to the future Isthmian Canal, was vital for its defense. Though he saw how the Monroe Doctrine would serve as a means to warn European powers against intervention in the domestic affairs of Cuba or seizure of the island, he felt that the authority of this doctrine should be fortified by international law.

In 1901, when the time approached for the withdrawal of U.S. forces Secretary Root drafted what is known as the Platt amendment to the military appropriations bill, requiring Cuba to embody provisions in its Constitution that would remove pretexts for intervention in that country by other powers by giving the right of such intervention to the United States. These provisions, which served to guarantee the freedom of Cuba, were also embodied in treaty.

The Platt amendment remained in effect until it was hurriedly abrogated in 1934 to appease the insistent demands of Cuban radicals.

CONQUEST THROUGH NEGOTIATIONS AT PANAMA

After dealing with the problem of Cuban security the next focal point of attention by the United States was the projected canal across the American Isthmus. As part of the inducement to construct this canal at the Panama site rather than at Nicaragua, the fledgling Republic of Panama granted to the United States in perpetuity exclusive sovereignty over the Canal Zone for the construction of the Panama Canal and its perpetual maintenance, operation, sanitation, and protection. Article I of this treaty provided that the United States would guarantee and maintain the independence of Panama—a provision that became known as the Panamanian Platt amendment. This article remained in effect until abrogated, at the request of Panama, in the 1936-39 treaty.

Other sections of the 1903 treaty provided for the use of the waters from the Chagres River Valley, the exercise of the right of eminent

domain within the Republic of Panama for canal purposes and, in event of the inability or failure of Panama to enforce sanitation ordinances or to maintain public order in the terminal cities of Panama and Colon, the right and authority of the United States to enforce them.

When serious discussion of revising the 1903 canal treaty started in 1932, far-visioned U.S. officials on duty in the Canal Zone foresaw the dangers. In fact, some of them even then warned that should the United States yield to those demands for the first treaty revision that such surrender would mean the ultimate loss of the Panama Canal.

Notwithstanding such warnings, our Government did yield. In 1936, it signed a new treaty which was not ratified by the U.S. Senate until 1939 and then only because the eruption of World War II was clearly in sight. This treaty, in addition to rescinding the guarantee by the United States of Panamanian independence, abrogated the right of eminent domain of the United States in Panama, and revoked the authority of the United States to maintain public order in the terminal cities of Panama and Colon.

The Panama Canal Treaty structure was further weakened in 1955 with further surrenders by the United States, and without reciprocal or compensatory accommodations by Panama. The story of these two treaties form a case history of conquest through negotiation.

The elimination of the protective feature of the 1903 treaty as to Panama was induced, as was the elimination of the Platt amendment for Cuba, by the insistent demands of radicals; and those thus motivated thought it was best for political purposes to bring about such elimination on the proclaimed theory that the respective nations have come to such stature as not to require such protection. Those actions, in their practical aspects, were not justified and were not best for either of these countries or for the United States because the nations at large came to believe that the Monroe Doctrine was being undermined and destroyed and the Communist countries so believing have infiltrated all Latin countries, including Panama and Cuba, with disastrous results.

CHAGRES RIVER WATER THREAT

Despite the generous treatment that Panama received in two revisions of the basic 1903 treaty, that country is now strenuously pressing for another and more radical revision. Because of Panamanian threats in March of this year at the San Jose conference to take "radical action" in event of failure to meet its demands, many have pondered what such threat portends.

Recently, I received information to the effect that radical elements in Panama will urge the Panamanian Government to bill the United States for \$850 million for the water that it has used in operating the canal. The arguments presented are that this water comes from the Chagres River Basin; that, as recognized by all nations, this water is a natural resource of Panama; and that securing compensation for it is a suitable case for adjudication before the World Court.

Mr. Speaker, for the benefit of our friends in Panama, officials of our Government who may be faced with this demand, and the Congress, which, under the Constitution, is the ultimate authority in matters of national policy, I would invite attention to article IV of the 1903 treaty.

In this article, the Republic of Panama, in addition to the grants set forth in articles II and III, granted "in perpetuity" to the United States "the right to use the rivers, streams, lakes and other bodies of water within its limits for navigation, the supply of water or water-power or other purposes, so far as the use of said rivers, streams, lakes, and bodies of water and the waters thereof may be necessary and convenient for the construction, maintenance, operation, sanitation, and protection" of the Panama Canal.

This grant in the 1903 treaty, Mr. Speaker, specifically covers the rights of our country to the runoff of the Chagres River Valley, which was a part of the incentive to construct the canal at Panama. If there is to be any modification of the 1903 treaty in this regard, experience has shown that such change should be aimed at extending the boundaries of the Canal Zone to include the entire watershed of the Chagres River Valley. This area including the part already in the zone is approximately 1,320 square miles. Moreover, the need for such extension of the Canal Zone was officially recognized as early as 1916 by Gen. Clarence E. Edwards, then in command of the U.S. Army in the zone, but nothing was done.

This proposal to bill the United States for water used to operate the canal as clearly granted in the 1903 treaty is of the same category as the additional claim of the Panamanian Government for a \$50 million interim compensation for the use of the canal pending the negotiation of a new treaty. If such fantastic demands were granted, the overburdened American taxpayers would be called to pay for these demands. Yet our Department of State seriously considers such unrealistic and unjust claims instead of forthrightly rejecting them.

THREATS ABOUT A SECOND CANAL

In addition to threats about the summit-level water supply billing, I have also received reports that certain interests in Panama may push a proposal for the government of the country to ask for bids, on a worldwide basis, for the construction of a second canal as a national undertaking of Panama, the contract to be awarded to the lowest bidder.

Under the conditions now prevailing in Panama, with pro-Castro elements in its national assembly, such award would undoubtedly go to the Soviet or to a Soviet agency. Is this, Mr. Speaker, the real radical action in the minds of Panamanian politicians who are attempting to blackmail the United States? If it is, the sooner the truth is known the better, for such award could well be the start of the gravest threat to the security of the United States and the entire Western Hemisphere since the 1861 intervention by European powers in Mexico and the setting up of the unfortunate Maximilian as Emperor. In any event, it could lead to the creation of a Soviet satellite in Panama, and the Monroe Doctrine would, indeed, be dead.

PLAN FOR CONGRESSIONAL ACTION

Mr. Speaker, where does our country stand today as regards its sovereignty over the Canal Zone and Panama Canal and what should be done about the situation? I know of no way to judge the future except by the past.

In 1934, our country withdrew its guarantee of Cuban independence and in 1959 Soviet Power filled the vacuum created. In 1939, the United States revoked its guarantee of Panamanian independence and the power vacuum has yet to be filled.

Today, the flag of Panama is officially displayed at various places in the Canal Zone equal with the flag of the United States. This display, supported by international Socialist elements in the Department of State in violation of law, treaty and international usage, is being hailed in many countries as symbolizing U.S. recognition of Panamanian sovereignty over the Canal Zone, and plans are underway to obtain still further concessions from our country.

Mr. Speaker, the time has come to stop the policy of liquidation at Panama and to reaffirm our long established policy. Instead of merely reacting to contrived situations, our country must return to the spirit of Theodore Roosevelt and defend its just rights on the isthmus; and for this reversal the Congress, as a separate and independent agency of our Government having ultimate authority, can and must take the lead by appropriate actions. What are they?

The steps which would protect our country's vital interests at Panama are:

First. Enact H.R. 3999 to prevent future giveaways of U.S. land and property in the Canal Zone as now proposed by the Department of State, which unanimously passed the House and was sent to the Senate.

Second. Prohibit by statute the expenditure of any public funds for the formal display of any flag at any place in the Canal Zone other than the flag of the United States.

Third. Adopt House Concurrent Resolution 105, introduced by Chairman Cannon of the House Committee on Appropriations, to clarify and make definite the exclusive sovereignty of the United States over the Canal Zone and Panama Canal as was fully and indispensably provided by the 1903 treaty under which the canal was constructed and has been subsequently operated.

Fourth. Adopt measures, such as House Resolution 451, reaffirming the Monroe Doctrine.

Mr. Speaker, what is taking place in Panama is absolutely astounding to patriotic citizens of our Nation at home and abroad. It does seem that those who represent our Government in transactions affecting the Panama Canal are either childish in their capacity as negotiators or downright incompetents. In this connection, Mr. Speaker, I would emphasize that no matter what type of military assistance is given to any or all Latin American nations, they know and the world knows that the United States of America bears the ultimate responsibility for protecting the Western Hemisphere.

Mr. Speaker, the program enumerated above will protect our interests at Panama and those of all Western nations. Moreover, I wish to warn the Congress and the Nation at large that unless our position at Panama is clarified as previously outlined, bad matters will become worse and chaos will follow, with the probable withdrawal of the United States from control of the Canal Zone and the utter abandonment of the Monroe Doctrine, with the Soviet flag replacing the Panama flag in the zone.

As partial documentation for my remarks, I quote a significant news story from an isthmian newspaper:

[From the Panama Star and Herald, July 24, 1963]

PROSPECTS OF TREATY REVISION MOUNT—DISBAND COMMISSION BUT TALKS CONTINUE

Prospects of a Panama Canal Treaty revision increased yesterday with the announcement that points of dissatisfaction still remain to be worked out between Panama and the United States.

A joint communique announced action taken by the Panama-United States Commission on six questions.

But, Foreign Minister Galileo Solis said, a number of points of dissatisfaction remain pending. Some of these points, official sources here and in Washington said, would imply the revision of the canal treaty.

Since such revisions have been carried out twice, once in 1936 and again in 1955, officials would not rule out the possibility of another review of the treaty.

The joint communique made one expected development official—the disbanding of the Commission created by Presidents Chiari and Kennedy in June 1962 to discuss points of dissatisfaction between the two countries. The members of the Commission were Foreign Minister Solis and Dr. Octavio Fabrega, for Panama, and Ambassador J. S. Farland and Canal Zone Gov. R. J. Fleming for the United States.

Now, pending issues are to be resolved through normal diplomatic channels or, as Foreign Minister Solis said yesterday, between Presidents or between the Foreign Ministry and the State Department.

At least two of the pending issues would require revision of the present treaty or negotiation of a new one. These are (1) Panama's request for an increase in the annuity paid by the United States for the use and control of the Canal Zone and (2) the Panamanian commercial companies greater opportunities in the Canal Zone.

The joint communique issued yesterday listed the second set of agreements between the two countries in accordance with an agreement on principle reached between the two Presidents in June 1962. The first set of agreements, which included the display of the Panamanian flag in the Canal Zone, was announced last January.

The communique listed the agreements reached since last January as follows:

1. Agreement on the creation of a joint labor advisory committee to consider labor disputes in the Canal Zone.
2. The U.S. Government has prepared a draft bill to be presented to Congress which would make available to Panamanian employees in the Canal Zone the same health and life insurance benefits which are available to North Americans.
3. There was a full discussion on equal employment opportunities although no agreement has been reached. While the minimum wage in the Canal Zone has been increased twice, in 1962 and 1963, and a further increase next year is envisaged, the Panamanian representatives have requested greater increases.

4. The United States has agreed to withhold Panamanian income tax from wages and salaries of those employees in the Canal Zone required to pay income tax to Panama.

5. Panama has requested jurisdiction in a corridor connecting the capital city with the rest of the territory, including jurisdiction over the Balboa Bridge. The United States is preparing counterproposals.

6. Panama also has requested that piers No. 6 and No. 7 in Cristobal be licensed to the Colon free zone. The United States is now preparing the terms of an agreement for consideration by Panama.

The communique did not talk about points where no agreement could be reached. At his press conference yesterday, Foreign Minister Solis mentioned them as follows:

1. Greater utilization by Panamanian industry and commerce of the Canal Zone market, including transiting ships.

2. The use of Panamanian stamps in the Canal Zone. (This appears to have run into difficulties because of international postal regulations.)

3. Display of the Panamanian flag on transition ships and at military posts in the Canal Zone.

4. Transfer to Panama of areas for the expansion of Colon.

5. Reduction of "security" positions in the Canal Zone and greater opportunities for Panamanians to fill higher positions.

6. Return to Panama of lands and waters not required for the maintenance and operation of the canal.

7. An increase in the annuity paid by the United States to Panama for the use and control of the Canal Zone.

8. Curtailment of commercial and industrial activities on the part of U.S. agencies in the Canal Zone.

[From the Congressional Record, 88th Cong., 1st sess., Nov. 13, 1963]

CANAL ZONE CRISIS: PLAN FOR ACTION— SUPPLEMENTARY

Mr. FLOOD. Mr. Speaker, in a statement to the House on October 22, I dealt briefly with relations between Panama and the United States under the title of "Canal Zone Crisis: Plan for Action." Nothing since then has happened to cause a change in those views, that I have repeatedly stressed that where there is responsibility there must be authority and that the Panama Canal enterprise cannot be successfully maintained, operated, sanitized, and protected with less authority than that provide in the 1903 treaty.

Despite the clarification that has been presented to the Congress and assertions by the Department of State that the long-range interests of the United States will be safeguarded, the pressure for a major revision of the 1903 treaty has been maintained in Panama by the President of that Republic, by its National Assembly, and by former Panamanian officials.

In addressing the National Assembly of Panama on October 2, 1963, President Chiari revealed that the relations of his country with the United States had become a "permanent demand" by Panama for additional "benefits from the canal enterprise," called for immediate negotiations for a new canal treaty, and warned that delay would risk creating "delicate situations."

Later, on October 9, former Foreign Minister and treaty negotiator, Dr. Octavio Fabrega, emphasized that there are four basic points in the Panamanian treaty revision demands:

First. Revision of the scope of U.S. authority, power, and control over the Canal Zone;

Second. Elimination of the "perpetuity" provision in the 1903 grant of the Canal Zone Territory;

Third. Greater benefits for Panama from canal revenue, even if this involves an increase in transit tolls; and

Fourth. Retrocession to Panama of all land and waters within the Canal Zone that have been proved unnecessary for the operation of the waterway.

In the course of his address, Dr. Fabrega disclosed that of the four major treaty revision demands, the one that has found least resistance on the part of the United States was return of lands and waters not needed for the operation of the canal. This, I suppose, explains the readiness of elements in the Department of State to transfer pier 6 and 7 at Cristobal and corridors across the zone, including the Thatcher Ferry Bridge, and its connecting highways, to Panamanian jurisdiction.

As to the demands for retrocession of parts of the Canal Zone considered by Panama as "unnecessary" for the operation of the canal, President William H. Taft, as long ago as December 5, 1912, declared

in an Executive order that "all land and land under water within the limits of the Canal Zone are necessary" for canal operations. Moreover, the titles to all Canal Zone land was acquired by the United States from its owners through purchase. Nor, Mr. Speaker, should our officials overlook that under the conditions of modern warfare, our Government should not think of reducing the Canal Zone territory but rather of its extension, including the entire watershed of the Chagres River.

Mr. Speaker, the dangers threatening the position of the United States in the isthmus are understood by our citizens in the Canal Zone charged with the heavy burden of maintaining and operating the Panama Canal. They are not understood by the mass of our citizens in the United States because of the failure of the mass media and its publicists to deal with the problem either forthrightly or objectively. Instead, some of the mass media's widely read publicists, who have recently written from Panama, in their fallacious propaganda have descended so far as to condemn our Canal Zone citizens as "ugly Americans" and "bad-will ambassadors," to support the sinister influence in our Government that seeks to pacify through coddling Panamanian radicals, and to advocate further erosions of U.S. rights, power, and authority over the Panama Canal.

All the facts in the isthmian situation, Mr. Speaker, call for prompt action by the Congress as the only way to save the Panama Canal. To this end, I call upon the Committee on Foreign Affairs of the House for prompt and favorable action on House Concurrent Resolution 105, introduced by my distinguished colleague from Missouri [Mr. Cannon].

I urge passage by the Senate of H.R. 3999 to stop these giveaways. I ask the prohibition by statute of any public funds for the display of any flag in the Canal Zone other than that of the United States, and I urge adoption of House Resolution 451 reaffirming the Monroe Doctrine. These actions by the Congress and the House, Mr. Speaker, will be a start on the long road to a restoration of normal and indispensable conditions for meeting our treaty obligations for the maintenance, operation, sanitation, and protection of the Panama Canal.

As partial documentation for the foregoing, I include recent news stories from Panamanian newspapers and the Washington Post as part of my remarks:

[From the Panama American, Oct. 28, 1963]

MORE PANAMA FLAGS TO GO UP IN CANAL ZONE

Beginning November 3 more Panamanian flags are to be flown in the Canal Zone, side by side with the U.S. flag at the Gatun and Miraflores locks through which pass daily an average of 30 ships of many flags.

Twin flagpoles are being placed at the south end of Miraflores locks and at the north of Gatun locks. More flagpoles are to be placed elsewhere.

The work, according to a Balboa Heights spokesman, "is being done as materials are available and as work forces can get at the jobs."

Reliable sources said the flags would be raised on November 3, although the Balboa Heights spokesman said that "no dates have been scheduled for the flags to be raised any place."

The spokesman said the additional Panamanian flags are being raised in accordance with the joint communique issued by the high-level Panama-United States Commission on January 10 last.

Today the Balboa Heights spokesman confirmed that "flagpoles are being placed, or are to be placed, at selected locations throughout the Canal Zone where it is appropriate for flags to be flown by civil authority."

The spokesman said the flags will be raised "routinely, as the flagpole work is completed.

"Some could go up tomorrow, some perhaps on November 3, some perhaps not until later. It all depends on the completion of the flagpole work," the spokesman said.

Meantime, efforts to prevent the flying of the Panamanian flag in the Canal Zone continue in the U.S. House of Representatives where a resolution barring the flying of any flag other than the U.S. flag in the zone is being studied.

At last report, the resolution, known as the Cannon resolution, through its sponsor, Representative Clarence Cannon, Democrat, of Missouri, was being considered by the House Merchant Marine and Fisheries Committee.

The resolution is one of three submitted on the same subject. The other two were submitted by Representative Daniel K. Flood, Democrat, of Pennsylvania, and Representative H. R. Gross, Republican, of Iowa.

It is believed that the Cannon resolution would pass the House by a substantial majority but that it would encounter stormy going in the Senate. Should the Senate pass the resolution, it is believed that President Kennedy would veto it.

[From the Panama (Republic of Panama) Star & Herald, Oct. 2, 1963]

**CHIARI CALLS FOR NEW CANAL TREATY NOW—BITTER DEBATE MARKS
OPENING OF ASSEMBLY—OPPOSITION WALKS OUT AFTER LOSING OUT
ON ELECTION OF OFFICERS; SESSION LASTS 4 HOURS**

President Roberto F. Chiari called yesterday for immediate negotiations with the United States for a new treaty on the Panama Canal, saying "our two countries cannot delay the solution of their differences without risking delicate situations."

The President addressed the National Assembly at its installation session to report on his administration's accomplishments over the past 12 months.

On the domestic front, Chiari said the Government is tightening the belt to cut down a \$7 million deficit appearing on the books as of August 31. He appealed for Assembly support of the administration's 1964 budget, which he said will be realistic.

Only slightly more than half the membership of the Assembly stayed to hear the President's message after a stormy installation ses-

sion that culminated with a walkout by 22 opposition deputies, which left the floor to 31 pro-Government deputies.

What should have been a ceremonial session of about 90 minutes' duration, lengthened into almost 3 hours of acrimonious debate over the procedure to be followed in voting for officers of the Assembly. Diplomats, Government officials, and Canal Zone civil and military authorities who were invited to the session squirmed through the lengthy discussion. Then, after the issue had been decided in favor of the administration, came the President's message, which took 73 minutes.

The opposition called for secret balloting in the election of officers. The Government side insisted on a rollcall vote. Administration supporters and the opposition's strategy was that in secret balloting some of the Government deputies might cross party lines and side with the opposition's candidate for the Assembly chair, Alberto Arias.

The opposition fought tooth and nail over the issue, each of its members taking the floor to argue that the Assembly bylaws called for secret voting. The Government deputies held their ground and in the end a rollcall vote was approved.

The opposition walked out en masse.

From then on, the Assembly's business developed smoothly and Ricardo Arango, Demetrio Decerega, and José G. Duque were elected President, First and Second Vice President, respectively.

Relations with the United States took two pages of the Presidential message.

President Chiari said:

Our relations with the United States have developed in a plane of soundness and calmness in permanent demand for recognition of our rights to obtain fair benefits from the canal enterprise, better treatment for Panamanian workers and adequate solution of points which cause dissatisfaction.

Panama knows of no other position, there being no intention on its part of harming the rights which the Government of the United States acquired for the construction, operation, maintenance and defense of the canal.

President Kennedy believed, in good faith, that with the creation of a high-level Commission, composed of representatives of both Presidents a solution would be found to the problems affecting relations between the two countries. It turned out otherwise. The results, 1 year after its installation, afforded such little encouragement, that I took the decision to suspend the conversations and this was done by mutual agreement. Upon discontinuing the meetings of the Commission, both nations face, once again, the delicate problem of their relations arising from the existence of the canal in Panamanian territory. Half a century of tireless efforts, which have failed to resolve our dissatisfactions, should serve as clear and precise indication of the need for utilizing means different from those already employed in order to attain an honorable solution.

I believe sincerely, and I say so with utter frankness, realizing the responsibility of my words, that we have arrived at the point and hour when our two countries cannot delay the solution of their differences, without risking delicate situations. I have the deep conviction that if Panama and the United States set aside the interminable and even well-nigh fruitless discussions over what should be the correct interpretation of existing treaties, and decide to tackle the analysis of their discrepancies with realistic judgment and in the light of the principles and norms of international law, now universally recognized, they will find adequate means for resolving, once and for all, a stable relationship which will permit them to harmoniously fulfill the common destiny imposed upon them by the existence of the canal. A satisfactory formula must be found that will place the relations of the two countries on a plane of clear and fair understandings which will enable Panama to obtain the largest economic benefits, without lessening the rights accorded to the United States of America. Both nations

made possible the canal enterprise, both have common interests in its operation, and it is only fair that both should share in the fruits of their effort and of their contribution.

The President cited services taken over the U.S. economic mission, the land reform program, the coming elections, and increased social security payments as factors contributing to a sharp rise in Government expenditures. A sharp curtailment of spending is the only way to cope with the situation, he declared.

"There is a limit to taxes," President Chiari told the assembly, "and it would be a dangerous policy to resort to more and more taxes in order to balance expenditures."

The Chief Executive spoke with pride of his administration's accomplishments in the field of education. He pointed out that school enrollment in the country has increased from 174,000 students 3 years ago to 208,000 last July. Yet, he pointed out, 33,000 school-age children still have no classrooms.

In the agricultural field, Chiari singled out for special mention the recently launched agrarian reform program, which he said is slowly winning over the trust and confidence of peasants. He noted, however, that there are elements purposely working against the land reform activities.

Chiari reported also on Panama's Alliance for Progress program, covering the next 7 years. It won't be until February or March of next year, he said, when the first credits are expected to be made available for putting the economic and social development plan in motion.

The President's message was sprinkled with references to Alliance for Progress assistance, particularly in school construction.

One other topic of national interest was included in the Presidential message—the 1964 elections. Chiari renewed assurances that voters will go to the polls without hindrance from the Government and that his administration will respect and sustain the voters' will as shown at the polls.

In his comments on the national guard—which he said has his confidence "without reservations or limitations"—the President called for an increase in manpower.

Chiari concluded his message saying that he blamed his own shortcomings for the fact that "we have not been able to do more so that the Panamanian people may lead a better life," but he declared he is satisfied he has done all he could.

It was 2:30 p.m. when the President finished reading his state of the nation report. The Assembly meeting, which had started at 10:35 a.m., was adjourned immediately. The first of the working sessions, which will last 2 months, is scheduled for this afternoon.

[From the Panama Star & Herald, Oct. 10, 1963]

FABREGA: NEW TREATY "MUST"; ARNULFO ARIAS: PANAMA CANAL
ISSUE "FALLACIOUS"

Two prominent Panamanians spoke out yesterday on the subject of Panama-United States relations, one to say that the full revision of the 1903 treaty is the only solution to differences between the two coun-

tries and the other to charge that the Panamanian Government is using the "fallacious canal issue" to hide its own ineptitude.

The pronouncements came from Dr. Octavio Fabrega, a former Minister of Foreign Relations and treaty negotiator, and Dr. Arnulfo Arias, a former President of the Republic who has all but announced he will run in the 1964 elections.

Addressing a joint meeting of the Rotary and Lions Clubs of Panama at the Hotel El Panama last night, Dr. Fabrega said there are four basic points involved in the revision of the canal treaty: (1) A once-and-for-all definition of the scope of authority, power, and control of the United States in the Canal Zone, which has become so "americanized" that the United States treats it as part of its territory; (2) elimination of the perpetuity feature of the canal concession; (3) fair distribution of the canal benefits, which might involve an increase in the transit tolls; and (4) the return to Panama of lands and waters within the Canal Zone which have proved unnecessary for the operation of the waterway.

Fabrega said that of the four revision issues, he has found the least resistance on the part of the United States toward the return of lands and waters not needed for the operation of the canal.

Reviewing the negotiations conducted recently by a joint Panama-United States commission on points of dissatisfaction between the two countries Dr. Fabrega blamed the lack of success of the commission on the "fourth floor" of the U.S. State Department. This, he said, is where U.S. policy toward Latin America is handled. Fabrega said the "bureaucratic clique" that runs this section of the State Department has more power than the White House and the Congress because it "dilutes" policy directives that come from the White House and the State Department.

On the question of revision of the 1903 treaty, Fabrega said Panama's position is justified because the conditions which brought about that treaty have changed radically. The canal, he pointed out, no longer is a military adjunct but a commercial enterprise. It might have been justified to ask Panama to sacrifice itself for the sake of the common defense while the canal was purely a defense artery, but now that it has become a commercial enterprise there is no justification for a powerful nation to profit from this country's biggest natural resource: its geographical position, Dr. Fabrega declared.

He cautioned, however, that the treaty question should not be a banner for agitation on the Panama or United States side. As much harm to the cause of good relations is done by Panamanians who call for immediate nationalization of the waterway, he said, as by Canal Zone residents who argue that Panama is not entitled to benefits from the canal because had the United States not built the waterway this country would still be ridden by yellow fever.

But Dr. Fabrega insisted that the longer the revision issue is put off the bigger the risk that "grave situations" will develop which may not be subject to settlement, as in 1959, except by force.

Meanwhile, Dr. Arias, in his first formal campaign statement, said that Panama-United States relations should not be the subject of "street demagoguery or electoral opportunity."

He added:

It is a most grave mistake for the Panamanian Nation, for the American Hemisphere, and even for the West, for the canal affairs and its feasible good-faith solutions be unscrupulously turned into carnival banners. All the more so, when those who are so acting seek not to be patriotically true to Panama, but to submerge in the canal waters the accumulation of ineptitudes, grafts, and squanderings of moneys during 4 years sadly wasted away. Four years of unfulfilled pledges; of successive and evident failures which have crowned, both on the national and the international planes, the record of the present administration.

Arias said political groups which have no popular support "do not hesitate to take recourse to the overused canal argument, trying in vain to put on the present Panama-North American contractual relationships the blame for responsibilities which are wholly attributable to the present administration."

He warned that this "anti-Yankee" campaign opens the door to subversive agents of Castro communism and Soviet imperialism.

Dr. Arias declared:

We say responsibly, that with the resources available from the stipulations of the treaty in force with the United States over the Canal Zone—although this does not imply permanent acceptance on our part of the present status—Panama has been in a magnificent position to face and resolve most of its chronic national and social problems. Conversely, these problems have become considerably more acute since 1951, although, once in a while, the administrations in power have resorted to the familiar argument of monetary demands to the White House (1951 was the year in which Dr. Arias was overthrown for the second time).

Dr. Arias' statement said the Panamanian people are fed up with "the canal tale."

From 1951 on—

He said—

there has been a lack of overall vision of our problems as fatherland, as nation, and as state. The ruling groups have waged against the United States and zonians in general resentments which often are justified, but which not always are justly or patriotically set forth. * * * Our future progress will depend on the rational development of our great productive possibilities, beginning with what the canal and our geographic position provide for us economically.

Arias declared that President Kennedy's new Alliance for Progress policy is incompatible with the previous forms of concessions in perpetuity which still prevail in some aspects of Panama-United States relationships over the canal.

The United States—

The former President said—

is, in addition to our partner, our inseparable ally in hemisphere security in the specific understanding that the Panama Canal and the Panamanian people gain in importance as strategic-political objectives for Havana and the Kremlin.

The statement concluded:

Face to face against the dark forces of reaction, whether extremist or oligarchial, the Panameñista Party and Dr. Arnulfo Arias at the forefront as the legitimate spokesman for the ideals of the disillusioned majority of citizens, prepare to wage the decisive battle.

The "decisive battle," of course, is the 1964 presidential election.

[From the Panama American, Oct. 10, 1963]

NEW TREATY BEFORE HARMONY—FABREGA

Former Foreign Minister Dr. Octavio Fabrega said last night the complete revision of the 1903 treaty is the only solution to differences between Panama and the United States.

Speaking before a joint meeting of the Rotary and Lions Clubs, the former treaty negotiator warned that the longer the revision issue is put off, the greater the risk that "grave situations" will develop which may not be subject to settlement, except by force.

Fabrega told his audience there are four basic points involved in the revision of the canal treaty:

A once-and-for-all definition of the scope of authority, power, and control of the United States in the Canal Zone, which has become so Americanized that the United States treats it as part of its territory.

Elimination of the perpetuity feature of the canal concession.

Fair distribution of the canal benefits, which might involve an increase in the transit tolls.

The return to Panama of lands and waters within the Canal Zone which have proved unnecessary for the operation of the waterway.

Fabrega saw justification in Panama's position in regard to the 1903 treaty revision question, pointing out that conditions which led to that treaty have now changed radically.

Emphasizing that the canal was no longer a military adjunct but now a commercial enterprise, Fabrega declared it might have been justified to ask Panama to sacrifice itself for the sake of the common defense while the canal was purely a defense artery.

But now that it has become a commercial enterprise, he said, there is no justification for a powerful nation to profit from Panama's biggest natural resource—its geographical position.

The former Foreign Minister cautioned that the treaty issue should not be used as a banner for agitation on either the Panama or United States side.

As much harm, he warned, is done to the cause of good relations by Panamanians who call for immediate nationalization of the waterway, as by Canal Zone residents who claim that Panama is not entitled to benefits from the canal because the country would still be wracked with yellow fever if the United States had not built the canal.

Fabrega, who was one of the Panama representatives during negotiations carried out recently by a joint Republic of Panama-United States Commission on points of dissatisfaction between the two countries, blamed the lack of success of the negotiators on the "bureaucratic clique" of the U.S. State Department.

Fabrega, who said the "clique" was located on the fourth floor of State Department where Latin American policy is handled, charged it was more powerful than the White House and Congress.

[From the Congressional Record, 88th Cong., 1st sess., Dec. 10, 1963]

PANAMA CANAL PICTURE: THE REAL "UGLY AMERICANS" AND THEIR JOURNALISTIC BOOMERANG

Mr. FLOOD. Mr. Speaker, as a student of Panama Canal problems for many years, I long ago observed a sharp difference between the extensive coverage of important isthmian news by Panama papers and its inadequate treatment by the press in the United States. This has resulted in our citizens in the Canal Zone being extremely well informed on specific canal questions and those in the United States often being misinformed and misled.

Moreover, on occasions when some papers have sought to correct the news situation by sending their reporters to the isthmus, such efforts have often failed. Too many of our writers have visited the Canal Zone for a stay of some hours, ridden across the isthmus on a train, received some impressions from a car window, talked to a few isthmian gossips hanging around hotels in rocking chair brigades, obtained questionable information from radical elements, and, without checking on the competence of sources, have filed pontifical stories of harmful nature with their papers for publication to the people of the United States.

A recent example of misleading reporting from Panama by Rowland Evans and Robert Novak was published in the November 1, 1963, issue of the Washington Post in what was a vicious libel against our citizens in the Canal Zone under the title of "Ugly Americans."

In an obvious effort well calculated to support the views of radical elements in Panama and their abettors in the Department of State and to disparage the position of the United States and prestige of the citizens in the Canal Zone, these two reporters fell far short of the objective performance expected of persons writing on a subject of the importance of the Panama Canal. Arranged topically, their article did the following:

First. Minimized the effectiveness of Communist propaganda as "only partly to blame" for anti-American sentiment among Panamanians.

Second. Asserted that the "real culprits" are "strange American policies" and the "unknown ugly Americans who shaped them."

Third. Repeated the statement of an unnamed U.S. diplomat to the effect that 99 out of every 100 Panamanians believe that U.S. canal policy is "grossly unfair."

Fourth. Commended Panamanians as having displayed "remarkable self-restraint" in their attitude toward the United States.

Fifth. Charged our Government with reverting to "big city imperialism" at Panama mainly because of "inordinate influence

wielded by some civilian employees of the canal, who must be included among the ugliest Americans anywhere."

Sixth. Attributed the difficulties in Panama-United States relations as stemming from the 1903 Canal Treaty, which they criticized as a "triumph of Yankee trading comparable to the purchase of Manhattan Island" and as having been "engineered by Teddy Roosevelt."

Seventh. Belittled the \$1,930,000 annuity paid Panama as "chickenfeed" when compared to last year's \$60 million in gross toll revenue.

Eighth. Approved Panama's "unique geographical position" as justifying its resentments against the United States.

Ninth. Claimed that, "except for anti-Panama sentiment in Congress" the Department of State would gladly grant additional concessions such as a "token time limit" on the treaty.

Tenth. Charged that this "congressional intransigence as the handiwork of the zonians" and that they operate one of the "most effective lobbies" in Washington.

Eleventh. Condemned our Canal Zone citizens as "bad-will ambassadors, more irritating to Panamanians than official U.S. policy."

Mr. Speaker, such charges as the above are not only gross misstatements of facts and cruel slanders of our citizens in the Canal Zone, but also are impugning of the integrity of the leadership of the Congress, which has been opposing further paralyzing surrenders of U.S. sovereignty over the Panama Canal enterprise. Because of their malicious and misleading character, it is important for the Congress and the Nation to have facts essential for sound judgment and a realistic appraisal of the situation.

Among the historical facts that the two reporters failed to disclose are—

First. That the grant of complete sovereignty and jurisdiction over the Canal Zone and other indispensable provisions in the 1903 treaty were parts of the inducement to construct the Isthmian Canal at Panama rather than at Nicaragua.

Second. That the United States, in addition to the grant of sovereignty, obtained legal title to all privately owned property in the Canal Zone through purchase from its owners.

Third. That, were it not for the granting of such exclusive sovereign rights, powers, and authority over the Canal Zone and its ownership, the United States would never have undertaken the task of constructing the proposed canal at Panama.

Fourth. That the perpetuity provision was included in the treaty because the Spooner Act of 1902 authorized the acquisition of the perpetual control of the Canal Zone for the construction and perpetual operation of the Panama Canal.

Fifth. That the total revenue of the canal in 1962, including tolls, was \$100,083,205 and that, under law, the enterprise is required to operate on a self-sustaining basis.

Sixth. That the net revenue of the canal operation in 1962 was \$7,345,986.

Seventh. That the \$1,930,000 annuity to Panama is a substantial part of the net profit and that \$1,500,000 of this annuity is

borne by Department of State appropriations as a matter of good will toward Panama and is not justified from the standpoint of the net profit from the operation.

Eighth. That, in addition to various forms of aid, U.S. Government sources in the Canal Zone inject around \$75 million annually into the economy of Panama, which is about the total of the annual Panamanian national budget.

Ninth. That the United States, in addition to its own vital interests, has treaty obligations to maintain and operate the Panama Canal for vessels of all nations on terms that are equitable and just.

Tenth. That the framers of the 1903 treaty foresaw the possibility that the Republic of Panama might disappear and guarded against impairment of our treaty rights in such eventuality. (See art. XXIV of the 1903 treaty.)

Eleventh. That our Government through Executive actions in 1960 and again in 1962, authorized the formal display of Panama flags at civil Government installations in the Canal Zone on an equal basis with the flags of the United States.

Nor did the two reporters explain the magnitude of the benefits derived by Panama from the 1936-39 and 1955 treaties that weakened our juridical position on the isthmus through ill-advised concessions to Panamanian demands. Among them are:

First. Revocation of the guarantee of Panamanian independence.

Second. Rescission of U.S. right to eminent domain in the Republic of Panama for canal purposes.

Third. Construction of a transisthmian highway between the cities of Panama and Colon at high cost and its maintenance.

Fourth. Revocation of the right to maintain public order in the terminal cities and areas adjacent thereto.

Fifth. Donation to Panama of valuable real estate in the terminal cities, including lots worth \$28 million, a modern school building, and the Hotel Washington in Colon built by the United States at high cost.

Sixth. Giving to Panama of the terminals yards and passenger stations of the Panama Railroad worth many millions with no provision for replacements in the Republic of Panama which required the United States to build new terminals in the Canal Zone that are far less convenient.

Seventh. Abrogation of the right to supervise the health and sanitation of the terminal cities.

Eighth. Construction at Balboa of a \$20 million bridge to replace ferries.

While for purposes of reply to the Evans-Novak news story the facts mentioned are adequate, there have been many other large gifts and benefits bestowed by our country on Panama that could be pointed out, including the benefits under the Alliance for Progress.

In these connections, Mr. Speaker, I would stress that all of the foregoing concessions and benefits were made without either compensation or worthwhile accommodation on the part of Panama. Did they satisfy the voracious appetites of the radical leadership of Panama? The answer is a resounding "No." Invariably they were fol-

lowed by greater demands and greater concessions. Moreover, each concession has been taken as a sign of weakness inviting further aggressions. So successful have Panamanian negotiations been that the conclusion cannot be avoided that our negotiators have been either downright incompetent or subversive.

The two writers evidently did not know the facts that I have presented or did not care about the facts. Doubtless they were wine and dined in Panama and developed a frame of mind induced by the hospitality accorded. Not the least consideration was given by them to the major fact that, under the 1950 act of the Congress, the canal is required to be operated without loss to the United States, that is to say, to the taxpayers.

Underlying the Panamanian demands for greater benefits has been the idea of increased tolls to provide increased annuities to Panama. Such increase no doubt would drive U.S. shipping from the seas because our shipping costs more to operate than that of any other nation.

Mr. Speaker, these two propagandists either knew nothing about this angle or cared nothing for it. So they went the whole hog in support of the radical demands of Panama and have given an utterly false picture to the American people. Not only that they ignored the fact that the United States, in providing for the protection and defense of the canal, has built costly installations and maintained land, sea, and air forces to guard the canal through half a century of operation at a cost running into hundreds of millions.

Mr. Speaker, I would not charge either of these two reporters with having been paid by the Republic of Panama or of being subversive, but what they wrote could not be better calculated to serve the interests of radical elements in Panama or the world conspiratorial force that aims to wrest control of the canal from the United States.

The term "ugly American," as applied by these two propagandists, is malicious slander against loyal and efficient citizens of the United States charged with the maintenance and operation of the Panama Canal. The use of this term as they did should prove a boomerang because they and others of their ilk are the real "ugly Americans" in the canal picture.

I quote the indicated newsstory for the benefit of the cognizant committees of the Congress and agencies of the executive as well as all others who may be interested in the canal question:

[From the Washington Post, Nov. 1, 1963]

UGLY AMERICANS

(By Rowland Evans and Robert Novak)

PANAMA CITY.—If anti-American sentiment in Panama ever reaches the point where it menaces the Panama Canal, Communist propaganda would be only partly to blame. The real culprits would be some strange American policies and the unknown ugly Americans who shaped them.

By the count of one U.S. diplomat, 99 out of every 100 Panamanians believe U.S. canal policy is grossly unfair. Given that beginning, a competent demagog could someday build animosity to the danger point.

Actually, Panamanians have displayed remarkable self-restraint so far, considering the way Uncle Sam forgets about the Alliance for Progress and reverts to big city imperialism here.

Why? Mainly because of inordinate influence wielded by some civilian employees of the canal, who must be ranked among the ugliest Americans anywhere.

The trouble stems from the 1903 treaty that gave the United States the 10-mile-wide Canal Zone under terms so favorable that it seemed a triumph of Yankee trading comparable to the purchase of Manhattan Island.

In fact, it is no such thing. The Panamanian Government of 1903, newly independent from Colombia after a revolution engineered by Teddy Roosevelt, was under Washington's thumb. It's understandable that Panamanians want substantial treaty revision.

Their biggest complaint concerns money. In view of nearly \$60 million revenue produced by the Canal Zone last year and the U.S. defense installations jammed into the Canal Zone, Panama's \$1,930,000 annual share of canal tolls is chickenfeed. Panamanians rightly regard their country's unique geographical position as its one great national resource and resent getting short-changed for it.

Questions of prestige are more subtle. Although a sovereign country seldom signs perpetual agreements, the 1903 treaty gives away the Canal Zone forever. Panamanians want a token time limit, perhaps 50 or even 99 years. By then, the canal probably would be abandoned.

The State Department would gladly grant such concessions except for anti-Panama sentiment in Congress. For instance, congressional opposition scuttled a modest concession to let Panama handle its own canal freight.

This congressional intransigence is the handiwork of the Zonians: U.S. residents of the Canal Zone, all canal employees, who operate one of Washington's most effective lobbies by playing on justifiable congressional fears about this vital waterway's security.

Moreover, the Zonians themselves are badwill ambassadors, more irritating to Panamanians than official U.S. policy. At his worst, the Zonian brags about not understanding a word of Spanish and not crossing into the Republic of Panama for years on end.

That's not all. A U.S. employee of the canal receives 25 percent more pay than a Panamanian in the same job. Because of "security," such high-paying jobs as Canal pilot (\$19,000 a year) are limited to U.S. citizens and a U.S. employee gets 10 days more vacation annually than a Panamanian.

Apart from canal problems, there's plenty to worry about here. Panama has Latin America's typical headaches—shantytown slums (called "Hollywood" in Panama City), an undeveloped interior, a ruling oligarchy wrapped up in moneymaking and petty politics. Topping this off is dependence on one "crop"—the canal.

Furthermore, Communists recently won student elections at the University of Panama and Communist-infiltrated labor unions are causing trouble on the banana plantations. U.S. intelligence sources estimate that 200 trained Reds have slipped in from Cuba. If they ever launch a concentrated terror campaign, Panama's 3,000-man national guard would be hard put to contain it.

[From the Congressional Record, 88th Cong., 2d sess., Feb. 7, 1964]

PANAMA CANAL—EMPLOYMENT OF ALIENS FOR CANAL ZONE POLICE TANTAMOUNT TO TREASON

Mr. FLOOD. Mr. Speaker, the Washington Post of February 7, 1964, contains two news stories about the fires now burning in the Caribbean, one about Cuba stopping the Guantanamo water supply; and the other, an announcement by Gov. Robert J. Fleming of the Canal Zone that Panamanian nationals will soon be placed on the zone police force. The water story, though important, is not crucial, because our Navy long ago took effective precautionary measures. Nevertheless, it was featured in a banner headline, "Cuba Stops Guantanamo Water," in a major news story. The Governor's announcement about hiring Panamanian nationals for police duty, though of transcendent significance, is buried on page A-12, column 6, in eight short paragraphs of the Washington Post.

In view of the January 9, 1964, attempted Red-led and directed mob attacks on the Canal Zone and other events over a period of years, the Governor's announcement, though truly shocking, is not surprising, in view of his anti-American stands regarding the sovereignty of the United States over the Canal Zone and Panama Canal.

Mr. Speaker, I would emphasize that this Governor's proposed action, reflecting the views of his superiors, is not a mere routine matter but an intended body blow against the legitimate vital interests of the United States at the key spot of the Americas. It conforms to Communist strategy and tactics of infiltrating police forces preliminary to Red takeovers. Its consummation would be a serious breach in the Canal Zone security system that must not be tolerated under any circumstances, for it aids and abets the Red revolutionary program for conquest of the Caribbean and Latin America, including the Panama Canal.

Certainly when our houses in the Caribbean, lighted by bloody communism, are on fire and the free world everywhere is reeling from blows of revolutionary attacks, this is no time for surrender on our part of the Panama Canal and the agencies for its protection to those who, in the very nature of the case, will have in their ranks trained revolutionaries and saboteurs dedicated to the Red policy of liquidating, by any means whatsoever, all U.S. sovereignty and jurisdiction over the Panama Canal.

In this connection, Mr. Speaker, I would emphasize that, with Red influence reaching into the highest levels of the Panamanian Government, including the Cabinet of President Chiari and the National Assembly, it will be impossible to avoid Red infiltration of the Canal Zone police force, which would include some who were trained in Cuba for the revolution and sabotage and actually led the January attacks on the Canal Zone. Moreover, the misguided strategists now endeavor-

ing to hire Panamanian nationalists to police American citizens and American territory in the Canal Zone know precisely what they intend to do. Instead of our Government employing aliens to defend the Canal Zone and our citizens there, I would urge, in line with the view of George Washington at another crucial time in our history. "Put none but Americans on guard."

In order that the Nation at large, the Congress, and the loyal elements in our Government and in mass news media may be informed as to this sinister scheme for Red infiltration of the Canal Zone Government, I insert the indicated news story at this point:

ZONE TO HIRE NATIONALISTS AS POLICEMEN

BALBOA, C.Z., February 6.—Gov. Robert J. Fleming, of the Canal Zone, said today that about 50 Panamanians will be hired soon for the Canal Zone police force.

The announcement brought immediate protests from the 250-man police unit, now composed entirely of Americans, and from the men who pilot ships through the U.S.-controlled canal.

The Governor said about 20 Panamanians will be integrated into the force first, probably next week, with 30 more added later as part of a plan to expand the force to 350 men. He said the nationals would be used in the zone sections where Panamanians working on the canal live.

Richard Meehan, 30, president of Canal Zone Police Lodge 1798 (AFL-CIO), said bringing Panamanians into the force would be "a dramatic inroad and a breach in the Canal Zone security system."

Meehan said the police force is a highly trained organization entrusted with such functions as harbor and border patrol, criminal investigation and operation of the penal system.

"Panamanians' loyalty in carrying out these functions can be questioned," he charged.

He said the plan will cause "a large number of skilled American help to quit and go home." The Canal Pilots Association sent a protest to Army Secretary Cyrus Vance in Washington, he said.

Fleming said the plan to hire Panamanian policemen "won't have the slightest effect on security in the Canal Zone." He cited the work of the all-Panamanian fire department as an example of loyalty.

[From the Congressional Record, 88th Cong., 2d sess., Mar. 9, 1964]

PANAMA CANAL: FOCUS OF POWER POLITICS

The SPEAKER pro tempore (Mr. Albert). Under previous order of the House, the gentleman from Pennsylvania (Mr. Flood), is recognized for 60 minutes.

Mr. FLOOD. Mr. Speaker, the outbreak on January 9, 1964, in Panama was not surprising to informed observers. Instead, it was precisely what was expected and repeatedly predicted by me in addresses in and out of Congress. Whatever satisfaction there is in having been right in my appraisal is indeed a barren one. Since the outbreak I have refrained from dealing with the Panama situation in addresses to the House to avoid adding to the burdens of those endeavoring to restore tranquillity in a perilous situation.

Now, however, because of my special knowledge of the subject, to which I have devoted years of study, I feel myself impelled to address the House again. I am, of course, no Patrick Henry, but I do love my country, its flag, and its institutions. The dangers that confront us in the Caribbean are focused on the Panama Canal. I believe it my duty, both as a citizen and Member of the Congress, to present the facts in this gravest of situations with clarity and force, though without any desire to be provocative. To this task, I now address myself.

BALBOA HIGH SCHOOL HEROES

In the final campaigns of World War II in the Pacific, the entire Nation watched with deep concern as our gallant Navy and its heroic Marine Corps captured Iwo Jima. This brilliant victory symbolized in sculpture showing marines raising the Stars and Stripes on Mt. Surabachi, won the admiration of the American people and the entire free world.

Today, our country is engaged in a different type of warfare on another front in the Caribbean, with the Panama Canal as the key target. Though less dramatic than the amphibious operation for Iwo Jima, this new form of warfare for the conquest of the Americas, through application of the principle of paralysis on the United States, is even more deadly.

Aided and abetted by international Socialist elements in the Department of State and other agencies of our Government, the gradual takeover of the Panama Canal, through the salami process of piecemeal erosion, seemed destined to continue unabated and unchallenged, despite all efforts in the Congress over a period of years, to expose the danger and arrest the evil. Fortunately, that which was unexpected by anti-American elements in our midst actually happened, showing up the danger at Panama and temporarily throwing anti-American strategists off base.

Balboa High School students in the Canal Zone, who, by heritage and education know Panama Canal history and are loyal to the United States, about 5 p.m. on January 9, 1964, sang the "Star Spangled Banner" and prevented a group of Panamanian students from lowering the U.S. flag and hoisting the Panama flag on the mast in front of their school. Moreover, they did this contrary to the orders of the Governor of the Canal Zone who had agreed not to fly the U.S. flag on American territory in front of that school. Though some students exchanged insults, at no time was there any encounter between large groups of Canal Zone students and Red-led Panamanian students who invaded the zone.

Nevertheless, the incident was seized upon by Castro agents and other radicals in Panama as offering a suitable occasion for launching mob invasions of the Canal Zone that were obviously already effectively planned for coordinated violence.

Inflamed by distorted reporting over Panama's Government and oligarchy-owned radio stations, by 7:30 p.m. of the same day, Panamanian mobs formed near Shaler Triangle where the first Panamanian flag in the zone was hoisted in 1960, and a full-fledged mob invasion of the Pacific end of the Canal Zone was attempted. A 7:59 p.m., Acting Gov. David S. Barker called upon the commander in chief of our Armed Forces in the Canal Zone, Gen. Andrew P. O'Meara, to assume command of the Canal Zone in a desperate situation that involved violence at both ends of the zone. Thus dramatized, the January 9 Panamanian mob assaults have aroused patriots all over our country as to what has been going on in this U.S. possession and has attracted world attention, immediately making the Panama Canal a focal point in power politics.

In this light, Mr. Speaker, the nameless American students at the Balboa High School, by serving to give a timely warning of what has been taking place on the isthmus, merit the thanks not only of the Congress but also of the entire Nation for a service of transcendent importance. In its long-range results, their contribution places them in a class comparable to the heroes of Iwo Jima.

To the critics of those fine American students, I would quote the 1815 toast of Stephen Decatur following his return from Algiers and Tripoli:

Our country. In her intercourse with foreign nations may she always be in the right; but our country right or wrong.

PANAMANIAN MOBS

Fortunately for both Panama and the United States, our military commander in the Canal Zone was the right type of professional soldier to meet the Panamanian mob attacks. Intelligent, energetic, and able, he is also prudent and wise. Regardless of the provocation, he can be depended upon not to panic but to use good judgment. Under such leadership, our Armed Forces, in close cooperation with Canal Zone police, engaged in a series of wholly defensive actions that form an important chapter in isthmian history. They prevented the zone from becoming the scene of a Red bath of wholesale murder, pillage, and rape. The volume of destruction of American property, both in Pana-

ma and the zone, was appalling and its value still remains to be determined.

Have those who defended our legitimate vital interests during this crisis in the Canal Zone been recognized in the United States for their services? Has the significance of their defense of the zone been presented adequately to our people? Far from it.

Large sections of the controlled mass news media in the United States and their un-American commentators, publicists, and propagandists, following the contemptible Red pattern of blaming true patriots for the assassination of President Kennedy by a Communist agent, have endeavored, and are still trying, to place responsibility for the Panamanian outbreak on our Balboa High School students and their parents for hoisting the American flag on American soil. Also in line with Communist tactics, these publicists and propagandists have likewise featured, if not instigated, false accusations against our military and civil authorities in the Canal Zone for "aggressions" against Panama.

Nothing could be more false and malicious. Not one U.S. soldier or member of the Canal Zone police left the zone during the violence. Their actions throughout were wholly defensive. Yet, three of our soldiers were killed and many others, including civilians, were wounded or injured by Red-led Panamanian mobs.

The only shooting from the Canal Zone side of the boundary was of two classes: First, at the ground and in the air to deter advancing mobs; second, when that failed, and the mobs were employing riflemen to shoot U.S. soldiers and citizens, especially chosen expert riflemen of our Army were directed to reach snipers who were killing our soldiers and citizens. Mr. Speaker, it is truly notable that despite the magnitude of the violence that took place in the Canal Zone, the Panama Canal continued to transit vessels without interruption. That was a supreme test of the patriotism of our citizens who maintain and operate the Panama Canal.

What are some of the threats that have been made by irresponsible elements in the United States? These include the threat to relieve our able commander in chief of our forces in the Canal Zone from his position for leading in "aggressions" against Panama and to banish from the zone the parents of the high school students who stood by the U.S. flag.

At this point, Mr. Speaker, I would emphasize, with all the force at my command, that the sovereign people of the United States, imbued with a revitalized patriotism and constitutional awareness, as well as informed leadership in the Congress, are not going to be fooled by the misleading propaganda with which they have been deluged. They understand the situation at Panama far better than un-American conspirators and weaklings in our Government and their public voices may realize. I believe that I reflect the determination of both our people and their Congress that they will not permit administrative reprisals against those who, in a time of the gravest peril to the Panama Canal, so signally performed their duty. Had these Panamanian mobs, led by Red agents, trained in sabotage in Cuba or elsewhere, not been checked they would probably have penetrated vital canal structures, and might have destroyed the Panama Canal.

To all those who participated in the recent defensive operations in the Canal Zone and kept the canal operating, our people and our Government owe the highest expression of gratitude and appreciation.

DISPLAY OF PANAMA FLAGS IN CANAL ZONE

Mr. Speaker, as to the "big lie" technique of Red-loving propagandists who have endeavored to mislead our citizens with false charges that our students were lawless in hoisting the American flag, I would stress that the real culprits and lawbreakers in the Panama situation are the arrogant usurpers in the Department of State and other Federal officials who acquiesced with them in striking the U.S. flag in the Canal Zone. It was they who made the January 1964 crisis inevitable, and any other view reflects a naivete that is difficult to understand.

The immediate question involved is one of sovereignty for which the flag is the only symbol. The formal display of any flag other than that of the United States, being a variation from traditional treaty interpretation, could be legally accomplished only through treaty—see House Report 2188, 86th Congress—made by the President by and with the advice and consent of the Senate.

Anti-American elements in our Government, when conniving and striking the U.S. flag in the Canal Zone, acted in contemptuous disregard of the express intent of the Congress as embodied in law—1960 Gross amendment—against the overwhelming vote—381 to 12—of the House of Representatives; and in violation of treaty and international usage.

In view of these facts, the formal displays of the Panamanian flag in the Canal Zone are arrant acts of usurpation and should be treated as such. This calls for specific measures by the Congress in the exercise of its constitutional powers to clarify, reaffirm, and make definite our Panama Canal policy and to prohibit the expenditure of any appropriated or other Government funds for the display of any flag in the Canal Zone other than that of the United States. So long as any other flag than that of the United States is displayed in the Canal Zone there will be chaos and violence.

CANAL ZONE SOVEREIGNTY

The hoisting in 1960 of the first Panama flag in the Canal Zone, did exactly what it was designed to do: it clouded the sovereignty of the United States over the canal and zone. For this reason, it is necessary to know that the history of such sovereignty over the Panama Canal enterprise traces back to the early part of the 20th century when the highest officials of our Government worked personally on canal policy questions and did not rely on inexperienced underlings and the half-backed views of propagandists and pundits.

Those leaders included men of vision and vast experience, among them: John Hay, Adm. John G. Walker, John Bassett Moore, Elihu Root, William Howard Taft, and, above all, President Theodore Roosevelt. They studied the history of the isthmus, recognized that region as a land of continuous bloody revolution and realized that the United States could never have built the Panama Canal, or sub-

sequently operate it, with less authority than that which was provided in the 1903 treaty, and which has always obtained since its opening to traffic. Where there is responsibility there must be authority. Indeed, the Panama Canal can never serve two masters.

The January 1964 Panamanian outbreak and its effective handling with the least loss of life and property and without damage to the canal, is the most eloquent evidence of their wisdom.

For the benefit of those who may not know, or may have been confused as to the juridical status of the Canal Zone, especially members of the press, I would emphasize again that this strip of land was not "leased" to the United States by Panama as is being generally publicized. Instead, this territory is a "grant" of sovereignty en bloc over the 10-mile strip and its auxiliary areas for the construction of the Panama Canal and its "perpetual" operation by the United States. For this grant of sovereignty, our country paid Panama an indemnity of \$10 million and assumed a contractual obligation for an initial annuity of \$250,000. These and other provisions in the 1903 treaty were admittedly favorable to the United States because they were inducements to build the canal at Panama rather than at Nicaragua, which, up to 1902, was the most favored route for an Isthmian Canal. Moreover, except for such inducements, especially that of complete sovereignty and perpetuity of the grant, and the right of eminent domain in Panamanian territory near the Canal Zone for canal purposes, the United States would never have undertaken to construct the Panama Canal.

Important actions such as the acquisition of the Canal Zone in 1904, must be considered in the context of their times. In this connection, I would invite attention to the record of the territorial expansions of the United States.

In 1803, our country acquired the Louisiana Purchase from France at a total cost of \$15 million; in 1821, the Florida Purchase from Spain for \$6,674,057; in 1848, the cession from Mexico, including California, for \$15 million; in 1853, the Gadsden Purchase for \$10 million; and in 1867, the Territory of Alaska from Russia for \$7,200,000. It would be just as logical to contend that these great regions, as now developed, should be returned to their original sovereigns as gifts as to hold that the Canal Zone and all the investment in it should be presented to Panama—and this a country that cannot even collect its own garbage from the streets of Panama City and Colon, a service which before the 1955 treaty was most efficiently performed by the Canal Zone. Moreover, the Canal Zone has served over many years as a haven for important Panamanian leaders when fleeing from assassination at the hands of their political adversaries in Panama.

PANAMA CANAL TITLE

With respect to the title of the United States to the Panama Canal enterprise, there are two factors: sovereignty and ownership. As I have previously shown on numerous occasions, the grant of sovereignty over the Canal Zone was made pursuant to the 1903 treaty under international law. Title to all land and property in the zone, including the French Canal Works and the Panama Railroad, was obtained pursuant to the laws of France, Panama, and the United States

through purchase from individual owners. These facts are never mentioned in the mass news media on in the pontifications of uninformed journalists who advocate giving away the Panama Canal with its more than \$2 billion of the U.S. taxpayers' money.

In addition, it is important to know that this control and ownership has been recognized by Colombia, the sovereign of the isthmus prior to November 3, 1903, as well as Panama and the world in general.

If there could be a clearer title over the canal enterprise than that described, I would like to know what it is.

The Canal Zone territory is constitutionally acquired domain of the United States for which there is but one symbol—the flag of our country. There is no basis for any claim on the Canal Zone by any country, including Panama and Colombia, other than that of a reversionary interest to Panama or a successor state in the sole event the United States should fail in its treaty obligations to maintain, operate, sanitize, and protect the Panama Canal. When Secretary Taft first used the term, “titular sovereignty,” in 1905, he understood it in the accustomed reversionary sense and never dreamed that naive or disloyal elements in our Government would authorize the formal display of the Panamanian flag as evidence of such reversionary interest on the part of Panama. This was made clear by him on a number of occasions as well as by his policies and actions as Secretary of War and as President of the United States.

Moreover, the framers of the 1903 treaty differentiated between the grant of sovereignty over the Canal Zone and the life of the convention under which it was acquired. They foresaw that Panama might again merge her sovereignty or independence through union with another country and provided against impairment in any respect of the rights of the United States as the sovereign of the Canal Zone, in such eventuality. If Panama contends that it has the right to take over the Panama Canal and Canal Zone, then, by the same token, Colombia has the right to take over Panama.

Mr. Speaker, in view of the fact that, at the request of Panama, the 1903 guarantee by the United States of Panamanian independence was abrogated in the 1936 treaty, I warn the true patriots of Panama, among whom I have many cherished friends, that recent events in their country have already set in motion developments that could well end in the destruction of Panamanian independence and lead to the restoration of their country to its former status as a department of Colombia and without affecting the sovereignty of the United States over the canal enterprise in any respect.

JURIDICAL FOUNDATION OF PANAMA CANAL

Among the questions that thoughtful Members of Congress frequently ask me is: What is the juridical foundation of our position on the isthmus? The answer is brief and simple. It rests upon three important treaties:

First. The Hay-Pauncefote Treaty of November 18, 1901, between the United States and Great Britain, which recognized the exclusive right of the United States to construct, maintain, and operate the Panama Canal subject to the rules of the 1888 Convention of Constantinople for the Suez Canal. The 1901 treaty re-

quires that the Panama Canal be free and open to vessels of commerce and war of all nations on terms of equality with tolls that are equitable and just.

Second. The Hay-Bunau-Varilla Treaty of November 18, 1903, between the United States and Panama, under which Panama granted sovereignty over the Canal Zone to the United States for construction and perpetual operation of the Panama Canal and to the entire exclusion of the exercise by Panama of any sovereignty. Important provisions of this treaty have been abrogated by the 1936 and 1955 treaties without affecting the 1903 treaty provisions as to sovereignty and perpetuity.

Third. The Thomson-Urrutia Treaty of April 6, 1914, proclaimed in 1922, by which Colombia, as the previous sovereign of the isthmus, recognized the title to the Panama Canal and Railroad as "vested entirely and absolutely in the United States" and specified the rights of Colombia in the Panama Canal. These rights include the privilege of transit of ships of war and troops without charge just as was granted Panama, as well as use of the Panama Railroad by Colombia for transport in event of closure of the canal. Except for this treaty, Colombia would never have recognized the independence of Panama; and the probabilities are that if the United States abandons the Canal Zone, Colombia would reassert its original sovereignty over the entire isthmus.

In addition, it is pertinent to add that acquisition of the Canal Zone and construction of the Panama Canal by the United States were accomplished under the authority of the Spooner Act, approved June 28, 1902, which called for its perpetual operation by the United States. Panama was not then, and is not now, a partner in the canal enterprise, but merely its beneficiary.

From the above it is obvious that, despite all the deceptive propaganda to the contrary, our country is on the isthmus legally and that it has treaty obligations concerning the canal to other countries as well as to Panama. Thus infractions of the U.S. sovereignty over the Canal Zone, such as displays of the Panama flag, cannot be legally made except by treaty. Moreover, any such variation involves legitimate treaty interests of other nations, which, under international law, must be consulted and their consent obtained by treaty action.

In the light of all the facts, the Soviet characterization, echoed in Panama over the presence of the United States on the isthmus as imperialistic colonialism, is monumental hypocrisy. Moreover, such characterization conforms to the 1946 action of Alger Hiss, a Soviet spy, who, when serving in the Department of State, listed the Canal Zone as an "occupied" territory in an official report to the United Nations, thereby helping to start the chain of events that culminated in the January 1964 Panamanian mob invasion of the zone, which could only be repelled by the use of U.S. troops.

PLAN FOR CONGRESSIONAL ACTION

Mr. Speaker, what started at Balboa High School as a minor difference between two small delegations of students has now developed into a world conflict between the United States and Soviet countries focusing on the Panama Canal. The real issue is not whether Panama

or the United States shall control the Panama Canal, but the transcendent one of whether the United States or the Soviet shall control it—the Monroe Doctrine against the Khrushchev Doctrine?

Soon after the recent attempted invasion of the Canal Zone, the Panamanian Government, following the example of our own as regards Cuba, severed diplomatic relations with the United States. Our diplomats in Panama, forced to evacuate the Embassy, took refuge in the Canal Zone, leaving the diplomatic field in the Isthmian Republic unguarded at a time of the gravest of crisis. About the same time, Premier Castro of Cuba, whose agents had led the Panamanian outbreak and who has supporters in the Panama Government among the closest advisers of President Chiari on Panama Canal problems, arrived in Moscow.

Mr. Speaker, such events are not mere happenstances. Rather, they form a consistent pattern, with vast geopolitical significance. Soviet power is already consolidated in Cuba on the northern flank of the Atlantic approach to the Panama Canal, and it has infiltrated into the Government of Venezuela and British Guiana on the southern flank, in what is a long intended and vast operation for conquest. The Red-led attack on the Canal Zone, coupled with Panama's break in diplomatic relations with the United States, can only mean that the Red pincers are drawing tighter on the key target of the Caribbean—the Panama Canal.

How do we know that the Red-infiltrated Government of Panama, like Cuba does not already have a secret nonaggression pact with the Soviets, or like Cuba, is not already secretly engaged in negotiations for such a pact, which is always a prelude to a takeover of the victim state? How do we know that Panama is not at this very moment seeking the support of Soviet controlled Cuba to intimidate the United States to surrender its control of the strategic Panama Canal? How do we know that Cuban-trained Panamanian agents have not already infiltrated into the ranks of our Panamanian employees in the Canal Zone? We do not know, but experiences of the past and current events certainly indicate that it is our solemn and indispensable duty to take all necessary precautions. Panama must not, under any conditions, be permitted to become, or to remain, a Soviet satellite.

As all who have read my addresses know, that which has been feared and predicted has come to pass. The Panama Canal has become the prime objective for the conquest by the world revolutionary movement of the Caribbean, the Panama Canal, and all of Latin America, in a vast operation planned by some of the most audacious and barbarous strategists of history. In the face of all this, our Government has pursued a policy of downright acquiescence and surrender.

The latest news is that Moscow, in a signed Castro-Khrushchev communique, is ready to turn over the control of its surface-to-air missiles in Cuba to the trigger-happy Cuban Army.

The threat to bury us was of the gravest and most realistic character and it may be instantly translated into a nuclear holocaust. In the light of actual Communist policy, as well as theory, how can we be so stupidly complacent as to believe or contend that no peril exists?

Patrick Henry and his fellow patriots were right in their day and I believe that we in the Congress, who recognize the extreme dangers in world affairs now focused on the Panama Canal, are performing an indispensable service in pointing out the brink on which the world trembles. We must meet the situation before us with courage and promptitude; and in nowise is it warmongering to say as much.

The solution does not rest in more attempts to placate the Red-infiltrated Panama Government through more surrenders to desperate isthmiian politicians and Soviet policy, for such betrayals can lead only to greater demands and ultimately to war itself. The remedial action required is for our Government through the Congress and the Executive, to take a positive stand to stop, once and for all, the abject surrenders of our legitimate and indispensable interests being brought about through the arrant usurpations of undisclosed executive officials, miners, and sappers in our Government.

To this end, I urge, with all possible vigor, the following program for immediate action by the Congress:

First. Prompt adoption by the Congress of House Concurrent Resolution 105 to clarify, reaffirm, and make definite our Panama Canal policy.

Second. Prohibition by legislation of the use of any appropriated or other Government funds for the formal display of any flag in the Canal Zone, not authorized by specific treaty provisions, other than the flag of the United States; and prohibition of any appropriated funds being used to pay salaries of non-U.S. citizen employees of the Panama Canal Company or Canal Zone Government in positions now classified as security positions.

Third. Action by the Congress calling upon the President of the United States to warn the Government of Panama that if it continues on its present course of intrigue and collaboration with Castro agents and agencies, the United States may have no other recourse than the withdrawal of the diplomatic support it has always accorded Panama, together with all aid and benefits not specifically based on treaty.

Mr. Speaker, only by these actions can we effectively serve notice on the world that we intend to meet our treaty obligations and to defend our legitimate interests with respect to the Panama Canal and only by such actions can the Panamanian people come to understand that there is no intention on the part of the United States of surrendering the Panama Canal. Any other course will invite further crises with far more serious consequences, including establishment of Soviet power on the isthmus, sabotage of the canal itself, and the ultimate destruction of the independence of all Latin America, including Panama.

At this point, Mr. Speaker, I quote the text of House Concurrent Resolution 105, which is now pending before the Committee on Foreign Affairs:

[88th Cong., 1st sess.]

HOUSE CONCURRENT RESOLUTION 105

In the House of Representatives, March 4, 1963. Mr. Cannon submitted the following concurrent resolution; which was referred to the Committee on Foreign Affairs:

Whereas the United States, under the Hay-Bunau-Varilla Treaty of 1903 with Panama, acquired complete and exclusive sovereignty over the Canal Zone in perpetuity for construction of the Panama Canal and its perpetual maintenance, operation, sanitation, and protection; and

Whereas all jurisdiction of the Republic of Panama over the Canal Zone ceased on exchange or ratifications of the 1903 treaty on February 26, 1904; and

Whereas since that time the United States has continuously exercised exclusive sovereignty and control over the Canal Zone and the Panama Canal; and

Whereas where responsibility is imposed there must be given for its effectuation adequate authority; and with respect to the Panama Canal the treaty of 1903 so provided; and

Whereas the United States has fully and effectively discharged all its treaty obligations with respect to the Panama Canal and the only legitimate interest that Panama can have in the sovereignty of the Canal Zone is one of reversionary character that can never become operative unless the United States should abandon the canal enterprise; and

Whereas the policy of the United States since President Hayes' message to the Congress on March 8, 1880, has been for an interoceanic canal "under American control," that is to say, under the control of the United States; and

Whereas the grant by Panama to the United States of exclusive sovereignty over the Canal Zone for the aforesaid purposes was an absolute, indispensable condition precedent to the great task undertaken by the United States in the construction and perpetual maintenance, operation, sanitation, and protection of the Panama Canal, for the benefit of the entire world; and for which rights, the United States has paid the Republic of Panama the full indemnity and annuities agreed upon by the two nations; and

Whereas, on February 2, 1960, the House of Representatives in the 86th Congress, by an overwhelming vote, approved House Concurrent Resolution 459, favorably reported by the Committee on Foreign Affairs, as follows:

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that any variation in the traditional interpretation of the treaties of 1903, 1936, and 1955 between the United States and the Republic of Panama, with special reference to matters concerning territorial sovereignty shall be made only pursuant to treaty.

Whereas, because of continuing claims of sovereignty over the Canal Zone by Panama which, if granted, would liquidate U.S. control of the Panama Canal and Canal Zone, a further declaration by the 88th Congress is deemed necessary and timely: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (1) the United States, under treaty provisions, constitutionally acquired and holds, in perpetuity, exclusive sovereignty and control over the Canal Zone for the construction of the Panama Canal and its perpetual maintenance, operation, sanitation, and protection; and (2) that there can be no just claim by the Republic of Panama for the exercise of any sovereignty of whatever character over the Canal Zone so long as the United States discharges its duties and obligations with respect to the canal; and (3) that the formal display of any official flag over the Canal Zone other than that of the United States is violative of law, treaty, international usage, and the historic canal policy of the United States as fully upheld by its highest courts and administrative officials; and will lead to confusion and chaos in the administration of the Panama Canal enterprise. (4) That the provisions of House Concurrent Resolution 459, 86th Congress, are reiterated and reemphasized.

THE FUTURE

Mr. Speaker, though the startling facts that I have just presented are now matters of history, they are also prolog. The January 9, 1964, Panamanian outbreak has aroused the people of the United States over the entire interoceanic canal question to the highest degree since the 1898 dash of the *Oregon* from the Pacific around Cape Horn to join our fleet off Santiago in the Spanish-American War.

Just as the dramatic voyage of the *Oregon* inspired the Nation and the Congress to undertake the great task of constructing and operating an Isthmian Canal, the January 9 incident has generated extensive discussions of the overall interoceanic canal problem throughout the Nation and in every walk of life. The interest created by the *Oregon* did not abate until our country launched serious studies of the canal question through the creation of an independent, broad based Isthmian

Canal Commission to make the necessary explorations, studies, reports and recommendations. Likewise, the current interest is not going to die until our Government takes comparable steps to arrive at a canal policy based upon a reasoned line of thought with due regard to all the factors involved, including the diplomatic as well as the operational, engineering and economic.

Mr. Speaker, in the light of the perspective that my studies of Isthmian history and problems afford, the time has come for the Congress to meet the challenge before it with respect to our future interoceanic canal policy as statesmen and not as mere opportunists. If we show weakness at Panama, this will impair our effectiveness at every other trouble spot in the world.

To provide the Congress with the necessary means for the evaluation of various canal proposals now being urged for a number of sites extending from Mexico to Colombia, and to evolve a policy based upon realistic foundations, Representatives Bow, Hosmer, Thompson of Texas, and myself, all of whom have studied the canal question, introduced identical measures in the present Congress, H.R. 863, H.R. 5787, H.R. 8563, and H.R. 3858, respectively, to create the Interoceanic Canals Commission, which were referred to the Committee on Merchant Marine and Fisheries.

This body, which, as in the past, would be wholly American and independent and composed of the best qualified men our country can muster, will make the necessary studies, reports, and recommendations in the premises. It should be created without delay, and put to work on this gravely important policy matter, which transcends the limits of routine agencies. If we quibble and delay, we shall wake up to find that the Soviet Government has made a secret treaty for the construction of a new Isthmian Canal.

In furtherance of this objective, on January 7, 1964, I wrote President Johnson, urging administration support for the proposed commission, which is imperatively needed to enable the Congress to meet the challenge now before it. Prompt action by the Congress will show, in a positive yet constructive manner, that our country is not evading its treaty-based responsibilities to interoceanic commerce and is not bluffing; nor is the United States surrendering its responsibilities and duties concerning the Western Hemisphere.

The texts of my January 7 letter to the President, my February 5, letter to the chairman of the Committee on Merchant Marine and Fisheries, and the indicated bills follow:

JANUARY 7, 1964.

The PRESIDENT,
The White House.

MR. PRESIDENT: Among the most crucial subjects of policy determination now facing our Government are those relating to the Panama Canal, which matters have been under active consideration in the Congress for a period of years.

Under the clarifications so far accomplished in the course of congressional debates and hearings, the principal issues established include—

(a) The paramount question of safeguarding U.S. sovereignty over the Canal Zone and Panama Canal, which since 1955 have

been seriously jeopardized through the process of piecemeal erosions, some of which have been counter to the formal expressions of the Congress and opposed to the official policies of the United States as followed for nearly half a century.

(b) The problem of the major operational improvement and increase of transit capacity of the existing canal by means of its major modification to embody the principles of the Terminal Lake—third locks modernization program. This solution, developed in the Panama Canal organization as the result of World War II experience, has been authoritatively recognized as providing at minimum cost the best operational canal practicable of achievement.

(c) The matter of a new canal at, or near, the present site or elsewhere.

As to the sovereign rights, power, and authority of the United States over the canal enterprise, their unimpaired continuance urgently requires a reaffirmation of our policy along the lines of House Concurrent Resolution 105 (Cannon resolution). In this connection, it has long been clear to informed and thoughtful persons that the Panama Canal could not have been constructed nor subsequently maintained and operated with less authority vested in and exercised by the United States than that expressly granted under the 1903 treaty with Panama.

During recent years our Government has yielded to politically and communistically motivated and ever-increasing demands of Panama, at times featured by mob violence requiring the use of the U.S. Army to protect the Canal Zone against invasion, sabotage and outright violence. The time has come to check these dangerous erosions and to reassert our time-honored canal policy squarely based on treaties; otherwise, chaos will inevitably result and the United States will lose the canal and international communism will take over not only the Isthmus but also all the other countries in Latin America and the Caribbean. The Panama Canal, as the symbol of our national strength and determination, is the greatest single buffer against conquest by the world revolutionary movement of the entire Western Hemisphere. As such, it is, indeed, the keystone in the arch of hemispheric defense.

As to the modernization of the Panama Canal, since the advent of the atomic bomb in 1945, the issues involved in this important subject have been persistently confused and delayed by advocates of the discarded plan for a sea-level canal at Panama. In consequence, there has been put forth a mass of misleading official and unofficial propaganda. Moreover, the recent efforts toward modernizing the present canal have been in the nature of symptomatic treatments rather than realistic solutions. Thus, they altogether fail to solve the problem of providing the major operational improvement of the existing canal and the additional trans-Isthmian facilities for the inevitable demands of increased traffic. As to the various means proposed, to meet these problems, practically all the distinguished engineering and other leaders who participated in the construction of the canal and many other eminent engineering, navigational, and nuclear-warfare experts have approved the Terminal Lake-Third Locks plan as the best solu-

tion. See memorial addressed to the Congress on page 473 for some of the views expressed in these regards.

In regard to the matter of a new canal at or near the present site or a second canal this problem involves descisions of the gravest character, which must not be made lightly or controlled by routine groups that would benefit from their own recommendations as has been attempted in the past with tragic consequences. The interests supporting such ex parte control of canal policy determination include the following:

(a) Manufacturers of heavy earth-moving machinery seeking markets for their products.

(b) A limited number of professional engineers, military and civilian, associated or hoping to be connected with these interests.

More than 20 years of delays, confusion, and procrastination on the part of responsible officials have prevented the formulation of an adequate plan for the modernization of the present canal and due consideration of the most obvious, most logical, economic, and least hazardous plan—that provided in the Terminal Lake-third locks design. Experience has shown that the required vision and leadership will not come from routine agencies on matters of fundamental planning and must be obtained from those who are independent.

In this connection, it should be especially noted that all advocates of a sea-level project near the present site have uniformly ignored the vital diplomatic questions that would be involved in that project. These are the huge indemnity and increased annuity to be demanded by Panama for a new canal treaty, the reduction of U.S. sovereignty over the Canal Zone, and the limitation of the duration of the treaty. In contrast, these crucial diplomatic questions will not be involved in the Terminal Lake-third locks program for modernization of the Panama Canal, which is a paramount consideration.

The proper handling of the canal problem would be an achievement of the highest importance for our country and all nations that use the canal and bring great distinction to those responsible for success.

In meeting counterarguments against the program that I shall later outline, which are to be expected from routine officials and agencies, attention is invited to the 1939 third locks project fiasco in the Canal Zone. Some \$75 million of the taxpayers' money was expended on an understanding that was later shown to be a navigational monstrosity and which became a target for sever criticism among navigation interests and independent engineers thoroughly conversant with the subject. Moreover, any third locks project that fails to eliminate the Pedro Miguel bottleneck locks and to consolidate all Pacific locks in new structures near Aguadulce (close to Miraflores) to create a summit lake anchorage in the Pacific end of the canal to correspond with the layout at Gatun, should be dismissed as unworthy of serious consideration, however plausibly it may be urged.

The following action program for the President is recommended:

(a) Make, or cause to be made, a positive reaffirmation of U.S. sovereignty over the Canal Zone and Panama Canal as provided by treaty and as contemplated in House Concurrent Resolution 105 (Cannon) and House Concurrent Resolution 113 (Flood).

(b) Send a special message to the Congress recommending prompt enactment of legislation to create the Interoceanic Canals

Commission to make the necessary studies and report on the question of increased facilities at Panama or a new canal on some other isthmian site as provided in H.R. 863 (Bow), H.R. 3858 (Flood), H.R. 5787 (Hosmer), and H.R. 8563 (Thompson of Texas).

As shown by the sponsorship of pending measures and debates in the House, the interoceanic canal question is nonpartisan and will be handled on the highest plane of statesmanship. Copies of the resolutions and bills mentioned are attached.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

FEBRUARY 5, 1964.

HON. HERBERT C. BONNER,
*Chairman, Committee on Merchant Marine and Fisheries,
U.S. House of Representatives.*

DEAR MR. CHAIRMAN: The Red-led and directed Panamanian outbreak on January 9, 1964, and mob assaults on the Canal Zone requiring the use of troops to protect the Panama Canal and U.S. citizens against "lawlessness and disorder," as authorized under the 1901 Hay-Pauncefote Treaty with Great Britain, was an epochal event comparable in its consequences to the speed run of the *Oregon* from the Pacific around Cape Horn to join the U.S. fleet off Santiago in the Spanish-American War. Just as that dramatic voyage in 1898 sparked the formulation of our Isthmian Canal policy in the early part of the century, the recent Panamanian assault has brought into public focus, at home and abroad, the entire interoceanic canals problem, making immediate action by the Congress imperative.

The issues involved are transcendent. They include, not only the continued U.S. sovereignty and management of the Panama Canal but also its historic treaty-based policy of "exclusive" control of any other canal "by whatever route," (Hay-Pauncefote Treaty). Upon the outcome will depend both the future of the obsolescing Panama Canal, the safeguarding of all legitimate U.S. interests in interoceanic canals across the Central American Isthmus and even the peace and safety of the Western Hemisphere.

It was in anticipation of such a situation as now confronts our country with respect to the Panama Canal, that some of my colleagues and I, who have seriously studied the canal problem, have introduced bills over a period of years to create a wholly American and independent Interoceanic Canals Commission, composed of the best qualified men our country can muster, to make the necessary studies and reports, with recommendations that the Congress and the Nation can accept.

As you are well aware, "traditional" elements in the executive, following their own predetermined objectives, with the several bureaucracies supporting one another, have avoided meeting the crucial issues involved, notably the diplomatic, and, in casual manner, have opposed the comprehensive, independent inquiry that is indispensable. Moreover, they have sought passage of measures to authorize these vested elements in our Government control and direct their own investigations, of which you have been the author in the Congress.

The inevitable result is that the unrelenting logic of history following the January 9, 1964, anti-U.S. outbreak at Panama has caused these routine studies, reports, and recommendations for proposed legislation based thereon to become obsolete; and an absolutely new and independent approach must be made with due consideration of all the factors involved and not only hypothetical "security" and "national defense" as has been previously done by these elements to advance predetermined objectives.

Experienced engineering, economic navigational, diplomatic, nuclear warfare, and other defense experts, who cannot be dismissed as uninformed, inexperienced, or incompetent, have emphasized the absolute necessity for an independent inquiry under congressional authorization as would be provided in pending measures to create the Interoceanic Canals Commission. This is now doubly urgent not only because of the mounting public interest in the interoceanic canals question resulting from the Panamanian outbreak but also because the recommendations of all ex parte canal studies since World War II are discredited and suspect as to the validity of the basic assumptions on which they were founded and recommendations; and, under no circumstances, will they be accepted by the Congress as conclusive.

Because it was the precedent followed in subsequent "traditionally" directed studies, I shall cite only the example of the 1946-47 investigation and its predetermined recommendation for a sea level project in the Canal Zone as being the only means for increasing the capacity and security of the Panama Canal to meet the future needs of interoceanic commerce and national defense.

An examination of available records in the Congress discloses the following facts:

(a) That the draft of the bill for the statute authorizing the 1946-47 inquiry was prepared in the Panama Canal organization by those who later directed the study under the authority of Public Law 280, 79th Congress.

(b) That, by interpreting the "security" and "national defense" factors, inserted in the draft by themselves, as "inherent" capacity to withstand attack and as paramount, the 1946-47 inquiry recommended construction of a canal at sea level in the Canal Zone as being the only means for increasing the capacity and security of the Panama Canal to meet the future needs of interoceanic commerce and national defense.

(c) That the 1947 recommendations served to exclude from serious consideration other canal proposals which, when evaluated from all significant angles, may have had superior advantages over the "official" recommendation of the ex parte report.

(d) That, at the very time when the 1947 recommendation was being advanced, primarily on the hypothetical basis of affording greater security from nuclear attack, many of the most distinguished atomic warfare authorities, in and out of government service, opposed the sea-level proposal at Panama on the ground that passive defense measures against the atomic bomb are entirely "irrelevant" in navigational planning as any type of canal, regardless of its design, can be destroyed by nuclear attack beyond any hope of timely restoration.

(e) That the 1947 inquiry ignored the crucial diplomatic problems involved, for a new canal in the Canal Zone would require the negotiation of a new treaty with Panama to determine the specific conditions for its construction, with the inevitable demands for tremendous indemnity and annuity benefits to Panama and sovereignty reservations.

(f) That the sea-level proposal at Panama would be not only extravagant but also would involve "serious danger of a long interruption to traffic at the time of cutover from the present canal." (1960 Board of Consultants Report, par. 16.)

(g) That when President Truman transmitted the 1947 report to the Congress, he did so without any comment or recommendation and the Congress merely pigeonholed it without printing as is customary in such cases.

As to any proposal for a new canal, either in the Canal Zone territory or in the Republic of Panama, that would require negotiation of a new treaty with that country with the inevitable denial of U.S. sovereignty that Panama could require, such proposal would be overwhelmingly rejected by the Congress and the American people as utterly ridiculous.

Lest the current enthusiasm and hysteria about a second canal be misleading and divert due attention from the Panama Canal, I invite attention to the following facts:

1. We have a fine canal now but it is approaching saturation.

2. We know it will work, how to work it, and how to provide for its major increase of capacity and operational efficiency without the requirement of a new treaty, which are paramount considerations.

3. We have had a workable treaty for the Panama Canal granting the indispensables of undiluted U.S. sovereignty and jurisdiction over the Canal Zone and canal.

4. We have experienced the abrogation by treaty amendments and nullification by Executive action of vital parts of the 1903 treaty by policies and practices in direct opposition to the 1923 position of former Secretary of State Hughes who considered such reversals as unthinkable.

5. We have had to defend our sovereignty over the Canal Zone by the use of force—an action absolutely necessary to protect the lives of our citizens and to save the canal itself from sabotage and destruction.

6. We have no treaty for a canal at another location except with Nicaragua, and such location would also require treaties with Costa Rica, Salvador, and possibly, Honduras.

7. We would have to be prepared to defend a canal in any location from "lawlessness and disorder" as was done at Panama on January 9, 1964.

8. We would have to consider the questions of indemnity and annuity payments to the nations involved for the grant of the necessary sovereignty and jurisdiction over the affected area for the purchase of property from individual owners in the right-of-way, and for provision of defense installations, the total cost of which would be large.

9. We would have to absorb, in event of abandonment of the Panama Canal, the costs of all types of canal and defense installations estimated at more than \$2 billion.

10. We now face the situation in which the United States, if it cannot retain unimpaired sovereignty and jurisdiction over the canal it owns, paid for, and has always defended, may be compelled to withdraw entirely from its long-term commitments throughout the American isthmus as regards interoceanic canals generally (Hay-Pauncefote Treaty).

From all of the above, it must be obvious that the problem of formulating a wisely reasoned interoceanic canal policy is no routine administrative chore to be handled in a casual and predetermined way by routine officials, but a major task requiring the services of an independent body of dignity and power that only congressional authorization can supply. In fact, this is the only way to end the unfavorable image of the United States caused by many years of confusion, delay, timidity, and excessive appeasement in the conduct of our Isthmian Canal policies. It is the only means by which our country can show the world, including Panama, that it intends to stand by its treaty obligations and is no longer evading its obligations or bluffing.

It was in furtherance of such objectives that, on January 7, 1964, which was immediately before the Panama outbreak, I wrote the President of the United States in these regards. Copies of my letter and of pending bills to create the Interoceanic Canal Commission were sent on February 3, 1964, to all Members of the House.

Until such inquiry as that advocated by my colleagues and myself is authorized under act of the Congress, the canal situation will remain chaotic, whereas it should be as clear as crystal, and the Congress, the Nation and, in fact, the entire world will agree with this view. Moreover, only such inquiry can close the lid on the evils and diseases now rising out of the Pandora's box that was opened at Panama by an unfortunate series of tragic actions and can restore our prestige, so badly wounded by the long-continued inept conduct of policies concerning the Panama Canal.

Whatever may have been the position of the advocates of a new canal of sea-level design near the present canal site, the recent course of the Panamanian Government and the barbarous actions of its unrestrained and communistic revolutionary mobs forcefully show that it is the absolute duty of the United States to consider other sites for an Isthmian Canal; and, to this end, it is imperative to create with the utmost promptness the indicated commission.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

FEBRUARY 17, 1964.

HON. WARREN G. MAGNUSON,
Chairman, Senate Commerce Committee,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Your statement in the Record of February 6, 1964, relative to S. 2497, 88th Congress, a bill to provide for an investigation and study to determine a site for the construction of an inter-

oceanic canal at sea level across the American isthmus, would vest three high administrative officials of our Government, the Secretary of State, the Secretary of Defense, and, presumably, the Chairman of the Atomic Energy Commission, with powers to make recommendations concerning a specific type of a new interoceanic canal.

Any body so constituted would, of necessity, be *ex parte* in character and committed to predetermined design. It would not be the independent, broadly based, and competent commission that is imperatively needed for making the necessary studies, reports and recommendations on so gravely important a subject. Nor would the 6-month period be enough to make more than the most perfunctory investigation. A minimum of 2 years would be required.

The three members, because of their offices, would have to rely upon routine underlings in their departments. As shown by actions and policies over a period of years, two of these agencies of Government might well be more interested in covering up their own record or errors and in advocating predetermined objectives than in making a forthright, comprehensive inquiry that is so urgently needed.

To illustrate, the actions and policies of the Department of State with respect to the Panama Canal, as you well know from recent events, have been well calculated to bring about what Khrushchev himself might have ordered. The actions and policies of the Department of Defense have been calculated to cover up the 1939 third locks project fiasco that cost the taxpayers \$75 million through advocacy of a vast sea-level undertaking near the present site in complete disregard of many vital factors involved. These factors include the danger of long interruption to traffic because of massive slides and the crucial diplomatic problems that a new Panama Canal of sea-level design would involve in the way of a huge indemnity, a greatly increased annuity, and inevitable demands by Panama for sovereignty, limitation of the duration of any treaty, and eventual control.

The type of inquiry that is indispensable is that which would be provided by the House bills to create the Interoceanic Canals Commission introduced by Representatives Bow, Hosmer, Thompson of Texas and myself, all of whom have carefully studied the canal question. These measures would provide for an independent, broadly based, and competent Commission of the best qualified men our country can muster and allow 2 years for the inquiry.

The major questions in interoceanic canals problems have been presented in my letters of January 7, 1964, to the President and February 5, 1964, to Chairman Herbert C. Bonner of the House Committee on Merchant Marine and Fisheries, copies of which are attached together with the text of the bills to create the Interoceanic Canals Commission.

At an early date, I plan to make a major address on the interoceanic canals question in the House and to outline a comprehensive and adequate program for our Government with considerable documentation. I shall send you a copy after its publication in the Record.

In view of the above and the facts set forth in the two letters attached, any bill that does not provide for an independent and broadly based Commission would be entirely unacceptable to informed congressional leadership and counter to the legitimate vital interests of

the United States. My judgment is that S. 2497 would not pass the House but I have every reason to believe that the House would approve and pass a bill of the type above indicated.

I trust that you and the cosponsors of S. 2497 will introduce in the Senate a measure identical with those in the House to create the Inter-oceanic Canals Commission and that thereupon we all work together to bring about the prompt enactment of this greatly needed legislation.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

SUPPLEMENTARY DOCUMENTATION

Mr. Speaker, when the recent outbreak at Panama occurred, I recognized instinctively that the resulting crisis would prove to be of national and world significance. Realizing from previous experience that moves would be made by elements in our Government to placate Panamanians by offering to replace our able commander in chief, U.S. Southern Command, Gen. Andrew O'Meara, for his effective defense of the Canal Zone, I immediately wrote the President strongly supporting this experienced and capable Army officer. No doubt other Members of the Congress did likewise.

In addition, I wrote a series of letters on various aspects of the inter-oceanic canals problem as the situation developed. Since some of these matters and their replies deal with important phases of the canal problem, I quote a number of them, a February 7 statement of mine to this body, and an article by Hanson W. Baldwin in the New York Times of February 27 as part of my remarks:

JANUARY 10, 1964.

DEAR MR. PRESIDENT: In view of the responsibility which falls on our Government in connection with the tragic events on January 9-10, 1964, in the Canal Zone and Panama, our Nation is fortunate in having in command of its Armed Forces on the isthmus one of the ablest officers of the Army—Gen. Andrew O'Meara. He is prudent as well as intelligent, will not panic regardless of the provocation, and can be depended upon to exercise sound judgment in time of crisis.

The additional disorders on the isthmus, initiated by subversive forces, emphasize again the fact that our country cannot maintain, operate, and protect the Panama Canal and discharge its treaty obligations unless it has complete authority to do so as granted in the 1903 treaty with Panama. Two masters cannot be served in such a delicate key agency as the Panama Canal.

The policy of placating radicals in Panama, as practiced by our Government in recent years, has inevitably led, as I have repeatedly predicted, to the present deplorable situation.

And undoubtedly, communistic Castroism has contributed to this chaotic state of affairs and, in very large measure, is responsible therefore. The international communistic conspirators have long had as their supreme objective the wresting of control of the Panama Canal from the United States. This effort, if it succeeds, would bring about control of the canal and Panama by other power. Such relinquishment by the United States of its rights, power and authority in the Canal

Zone would remove the keystone in the arch of hemispheric defense and by creating a power vacuum, and undoubtedly set in motion comparable movements for takeover by force and violence throughout Latin America.

The present tragedy in the Canal Zone does not surprise any informed Member of the Congress. It is merely the direct consequence of the failure of our Government to reaffirm and make definite its Panama Canal policy, which over the years, has been urged in the Congress.

I recommend immediate support of you for a pronouncement by our Government along the lines of House Concurrent Resolution 105, copy attached.

In these connections, I recall the failure of our Government in a similar crisis on the isthmus to support the actions taken by Gov. William E. Potter to protect the Canal Zone. This failure to support his action produced a lack of confidence in the integrity of our commanders in the zone.

Under the conditions now pending, I would urge that, in addition to support for House Concurrent Resolution 105, you issue a statement indicating your full confidence in, and support of, General O'Meara and his command.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

JANUARY 15, 1964.

HON. DEAN RUSK,
*Secretary of State,
Department of State,
Washington, D.C.*

DEAR MR. SECRETARY: In connection with the action of officials of the executive branch of our Government with respect to the recognition in 1959 of so-called "titular sovereignty" of Panama over the Canal Zone and the flying of the Panama flag in Shaler Triangle in September 1960, I request the following:

1. A copy of any order or statement by the President, the Secretary of State, or other official directing the recognition in 1959 of "titular sovereignty" over the zone.

2. A copy of any order or statement by the President, the Secretary of State, or other official directing the display in 1960 of the Panama flag in Shaler Triangle.

An early reply is requested.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

DEPARTMENT OF STATE,
Washington, D.C.

DEAR CONGRESSMAN FLOOD: Thank you for your letter of January 15, 1964, to the Secretary in which you requested certain documents relative to the titular sovereignty of Panama over the Canal Zone and the flying of the Panamanian flag in Shaler Triangle.

Pursuant to your request there is enclosed a copy of a recently prepared summary background report on the flag issue. The texts of the principal pertinent documents are contained in this report.

If I can be of further assistance to you in this matter, please do not hesitate to call on me.

Sincerely yours,

FREDERICK G. DUTTON,
Assistant Secretary.

JANUARY 20, 1964.

FLYING OF PANAMANIAN FLAG WITH U.S. FLAG IN CANAL ZONE BY
CIVILIAN AUTHORITIES

Following violent disturbances on November 3, 1959, at the Canal Zone-Panama boundary, involving sovereignty, flags, and other issues, a special representative of the Department of State said in Panama on November 24, 1959:

During the course of our discussions, in response to a question by the President of Panama, I assured him that the policy of the U.S. Government with respect to the status of the Canal Zone remains as it had been stated more than 50 years ago to the effect that the United States recognizes that titular sovereignty over the Canal Zone remains in the Government of Panama.

Further demonstrations, including some violence against the Canal Zone, occurred again on November 28, 1959. Subsequently the Panamanian Ambassador to the United States in Washington presented a formal request for, among other things, the flying of the Panamanian flag in the Canal Zone.

On December 2, 1959, President Eisenhower in a press conference stated that he did "in some form or other believe that we should have visual evidence that Panama does have titular sovereignty over the region." In a press conference on December 10, 1959, Secretary of State Herter stated that sympathetic consideration was being given to the proposal that the Panamanian flag fly in the Canal Zone.

On September 17, 1960, President Eisenhower directed that the U.S. flag and the Panamanian flag be flown together in a single place in the Canal Zone known as Shaler Triangle. This action was announced by a White House release which read as follows:

Last December 2 the President stated his belief that there should be visual evidence of Panama's titular sovereignty over the Panama Canal Zone. The President has now, as a voluntary and unilateral decision on the part of the Government of the United States, approved and directed the flying of the flag of the Republic of Panama together with the U.S. flag on a daily basis in Shaler Triangle in the Canal Zone. The President has authorized the American Ambassador, Joseph S. Farland, to make a public statement to this effect.

The President hopes that his decision will demonstrate the continuing close bonds that exist between the people of the United States and the Republic of Panama and their Governments.

The U.S. note transmitted to the Panama Foreign Office on September 17, 1960, stated (Department of State bulletin, Oct. 10, 1960, vol. XLIII, No. 1111, p. 558):

I am pleased to state that, after the highest consideration by my Government, I am instructed to inform you that as a further reflection of the genuine friendship existing between our two Governments and peoples, my Government has

determined that as a voluntary act on the part of the United States, and in recognition of the titular sovereignty residing in the Republic of Panama with respect to the Canal Zone, the Panamanian flag will hereafter be flown together with the U.S. flag on a daily basis in the area known as Shaler Triangle in the Canal Zone. This determination is in no wise to be considered as modifying in any way the treaties and agreements in force between the United States and Panama.

On September 21, 1960, the two flags were first flown at Shaler Triangle, and have flown there daily since then.

On June 13, 1962, Presidents Kennedy and Chiari issued a join communique stating that they were appointing high level representatives to discuss points of dissatisfaction. Ambassador Farland and Governor Fleming were appointed by President Kennedy and Foreign Minister Solls and Dr. Octavio Fábrega were appointed by President Chiari.

The communique stated that the Presidents "agreed that their representatives will arrange for the flying of Panamanian flags in an appropriate way in the Canal Zone."

The flag question was the first substantive matter discussed by the special Commission. Governor Fleming, with the concurrence of Ambassador Farland developed a list of 15 sites at which the United States and Panamanian flags would fly together in the Canal Zone, including Shaler Triangle where the two flags had been flying since September 21, 1960, by direction of President Eisenhower. The list of site locations for the dual flags was presented to Panama at a meeting on July 20, 1962, for discussion purposes, and was forwarded to Washington for review by the Department of State and others.

The selected sites were acquiesced in by Panama and were approved in principle by those reviewing the matter in Washington. The sites were substantially the same as those subsequently used except as affected by the addition of civilian school premises in January 1964.

The original list of sites did not include any schools. At no time did Panama or anyone in Washington object to the specific list of civilian areas or suggest any additions or deletions or raise a question about the schools. This remained true until after the trouble which began on January 7, 1964.

While the list of civilian sites was not itself controversial, Panama sought also to have her flag flown in military areas and on transiting ships. And some Members of Congress and many U.S. citizen residents in the Canal Zone felt strongly against the flying of the Panamanian flag at all in the Canal Zone. The House of Representatives has passed House Resolution 459 on February 2, 1960, against flying the Panamanian flag. The pertinent 1961 appropriation act contained a rider prohibiting the use of Canal Zone Government or Panama Canal Company funds to install a flagpole for flying a Panamanian flag in the Canal Zone (Public Law 86-451, May 13, 1960). Nevertheless the September 1960 action by President Eisenhower followed and the dual flags were established in Shaler Triangle, using special funds.

When the new Thatcher Ferry Bridge was dedicated on October 12, 1962, United States and Panamanian flags were flown at each end of the center span. These flags, the first dual sets to be flown since the Shaler Triangle action, have flown 24 hours a day ever since.

On October 29, 1962, in further implementation of the agreement, dual flags were flown at the administration building at Balboa

Heights, and on November 1, 1962, at the administration building at Cristobal. This followed public announcement of the agreement on flags by President Chiari in an address to the Panamanian National Assembly on October 1, 1962.

On January 10, 1963, the Joint Commission created by Presidents Kennedy and Chiari issued a joint communique, the first paragraph of which reads as follows:

1. It has been agreed that the flag of the Republic of Panama will be flown together with the flag of the United States of America on land in the Canal Zone where the flag of the United States of America is flown by civilian authorities. Private organizations and persons in the Zone are free to display flags at will over their places of residence or business. Other aspects of the flag question will be discussed later.

On October 26, 1962, a Panama Canal Company employee, Gerald Doyle, had filed suit against the Governor of the Canal Zone seeking to enjoin the flying of the Panamanian flag in the Canal Zone. This action received substantial support from many Canal Zone residents and from some Members of Congress. While the suit was pending the Governor refrained from initiating any further dual flags at the remaining sites. Panama, apparently understanding the situation, did not press for action to further implement the flag agreement during the litigation, despite adverse press comment in Panama concerning the litigation.

The flag suit was dismissed by the U.S. district court in the Canal Zone on July 8, 1963, the court opinion holding that the matter was one of executive discretion. The time for appeal expired on September 27, 1963, without an appeal having been filed.

Thereafter, the Governor directed that the dual flags be flown at the remaining selected sites. This was carried out in accordance with a schedule which would permit completion of the installation of all poles by February 7, 1964. As each set of poles was erected the two flags were immediately flown thereon, without publicity or ceremony. In the meantime the list of 15 locations for the 2 flags had increased to 17 by reason of the Governor's addition of sites at 2 cemeteries, which had been mentioned but not specifically included at the time of the original list.

During the course of the year, some flagpoles at locations not selected for dual flags were removed, such as the Governor's residence which is a block or so from the administration building where the 2 flags were already flying. The removal of flagpoles drew some adverse press comment. In general, the sites for the dual flags were selected to provide for such display in each major population area plus special locations such as the locks and governmental administration buildings.

In November 1963 the Governor considered flying the dual flags at the four high schools. This question was discussed informally with the Canal Zone Civic Council leaders and with the senior officials of the Panama Canal Company and Canal Zone Government. The civic councils felt strongly that such dual displays at the schools would lead to major flag incidents. Senior agency officials generally agreed with the civic councils. This position was consistent with the informal opinion received from school officials in 1962 when the question of flags at schools was first considered by the Governor. The original

decision not to fly dual flags outside the schools, and therefore no flag, under the agreement, was reaffirmed by the Governor in December 1963.

By the end of December 1963, 11 of the dual flag installations were in operation, with 5 more scheduled for January and early February 1964, and the final site set for new Gorgas Hospital when construction would be completed later in 1964.

During the Christmas holidays it was decided by the Governor that full implementation of the agreement with Panama would be put into effect on January 2, 1964, at which time the Panamanian flag would be flown wherever the U.S. flag was flown by civilian authorities. This meant that no U.S. flags would be flown outside the schools and at about four other locations where single U.S. flags were still flying on December 31.

On December 30, 1963, the following press release was issued by the Governor:

On and after January 2, 1964, the Panamanian flag will be flown together with the flag of the United States on civilian land areas in the Canal Zone where the U.S. flag is flown by civilian authorities.

This action implements the understanding made public in a joint communique issued by the two Governments earlier this year which stated that "the flag of the Republic of Panama will be flown together with the flag of the United States of America on land in the Canal Zone where the flag of the United States of America is flown by civilian authorities. Private organizations and persons in the zone are free to display flags at will over their places of residence or business."

For some time the Panama Canal has been erecting dual flagpoles at selected sites. Work has been completed and the two flags are now flying at 11 of the sites. Dual flagpoles will be erected at five additional sites between now and the early part of February. One further location at which the two flags will fly will be the new Gorgas Hospital addition when it is completed later this year.

The 11 locations where the two flags are now flying are Shaler Plaza, Thatcher Ferry Bridge, the administration building in Balboa, and also at Cristobal, Miraflores and Gatun Locks, Coco Solo and Corozal hospitals, Palo Seco, Margarita and Coco Solo. The five remaining locations in addition to the new Gorgas Hospital addition are Gamboa-Santa Cruz, Rainbow City, Paraiso, Mount Hope Cemetery and Corozal Cemetery. Locations at which the U.S. flag has currently been flown alone and at which no flags will be flown on or after January 2, 1964, are the schools; the Ancon District Court Building; the Industrial Division, Cristobal; a site in Gamboa which will be replaced by the site for the two flags; and the present Gorgas Hospital.

In accordance with law and customs requiring the U.S. flag to be displayed in or near schools, the U.S. flag will continue to be displayed in classrooms or elsewhere within the schools as at present. The Panamanian flag will continue to be displayed with the U.S. flag in all Latin American schools and in certain other schools as appropriate following present practice.

Schools reopened on Thursday, January 2, 1964, after the Christmas holiday. The U.S. flag which formerly had been raised in front of each school on schooldays was no longer flown, in accordance with the commitment to Panama to fly two or none.

During the first few days of the new school period students at Balboa High School began to generate feeling in protest against the discontinuance of the U.S. flag outside the school. A U.S. flag is displayed in every classroom but the outside flag became an object of current significance. By Monday, January 6, it was known by school officials and some parents and others that some of the students intended to go to school early on Tuesday, January 7, and to raise the U.S. flag on the outside pole at Balboa High School. On Friday, January 3, a

petition to President Johnson protesting the discontinuance of the U.S. flag outside the Balboa High School was circulated at the school and signed by 400 to 500 students.

Balboa High School has an enrollment of 1,851. Of these 1,777 are U.S. citizens—927, or 50.1 percent, of the students at Balboa High School are children of military or civilian personnel of the U.S. Armed Forces—639, or 34.5 percent, are children of employees of the Canal Zone Government and Panama Canal Company—136, or 7.3 percent, are children of American businessmen and other non-Government personnel in Panama and the Canal Zone—75, or 4.1 percent, are children of U.S. citizen employees of the U.S. Embassy, AID, USIS, and the Federal Aviation Agency—74, or 4 percent, are non-U.S. citizen tuition students, principally Panamanians.

By 6:45 a.m. on Tuesday, January 7, about 25 students had gathered on the lawn in front of the high school with a flag. The halyards were locked on the pole. Attempts were made to climb the pole but efforts to get the flag aloft were at first not successful. By 7:25 some 200 to 300 students, mostly observers, were present and a group of 50 to 80 were around the pole itself. The few actually working at it finally worked the halyards loose so that despite the lock the flag was raised at 7:25. School officials were present, and a couple of policemen were in the area. A dozen or so adults, presumably parents, were on the sidelines.

Classes started at 7:45 and nearly all students attended. Abstenteeism during the day was nearly normal. A dozen or so adults and students remained in the area across the street from the campus. At 8:20 the acting superintendent of schools, the principal of the high school, and the Civil Affairs Director within whose Bureau the schools operate, lowered the flag, which was taken to the principal's office.

The first class period was over at 8:38 a.m., and at 8:40 six college students and one high school student put up another small flag. About 150 students were on the school steps or lawn and they pledged allegiance to the flag. A number of adults were in the area. School officials were present. No police were in the immediate area. No effort to prevent the students' action was taken because of a policy decision approved by the Governor that an incident involving physically preventing these American students from raising the American flag outside their school and pledging allegiance should be avoided, in the expectation that the protest demonstration would have achieved its purpose and the flag could be lowered quietly later. No laws were broken and it was considered that the demonstration by the students did not constitute a flying of the flag by "civilian authorities."

It was understood that the active ringleader group of students intended to require authorities to use force if an effort were made to prevent the raising of the flag, or to take it down once up, or to remove the flagpole. School officials urged students to return to classes which nearly all did. Photographers, professional and others, were present at all actions described.

During the morning a small group of students kept watch from just off the campus. Between classes large numbers appeared to see what had happened, there having been rumors that the authorities intended to remove the pole or halyard. At noon the students substituted a larger flag on the pole. After school about 100 students, with

adults, remained around the area until late evening to prevent action to remove the flag or pole. About 25 remained on watch all night and were furnished food and blankets by adult sympathizers.

At 6 p.m. on Tuesday the flag was lowered by six high school boys. At 7:30 a.m. on Wednesday it was again raised. The situation was about the same on Wednesday. In the afternoon some 200 students marched around the flag with placards demanding that the flag stay up. Ringleaders told school officials that students would continue in classes so long as the flag was up. It was understood that if the flag were taken down the fire alarm would be used to signal a student rush to prevent the action. The principal put out written bulletins assuring that there was no intention to remove the flagpole, and cautioning against any improper use of the fire alarm system.

On the Atlantic side similar action was taken on Wednesday by large numbers of students at Cristobal High School with substantial parental support. Groups went to several elementary schools also and put up flags, on both the Atlantic and Pacific sides.

On Wednesday, January 8, the Governor issued a statement appealing to the public for cooperation. He reviewed the background of the dual flag program and said:

I believe that it is unnecessary for me to dwell at length on the responsibilities of U.S. citizens to abide by the official commitments of their Government. I would, however, like to emphasize that we have a particular responsibility here in the Canal Zone where our actions are subject to direct view by citizens of other countries.

I request the cooperation of all U.S. citizens at this time in honoring our country's commitment and in showing our good faith by our own actions. We must set the example and some recent actions have not been good in view of an international commitment of the United States.

At the same time, I will say that the list of official locations at which the two flags are to be flown is not final and absolute. Should the various communities desire dual flag display at other locations, it is possible that we can make appropriate additions in consonance with our international commitment. In this regard I would look to the civic councils for advice as to the wishes of the communities.

On Thursday morning, January 9, the Governor pretaped and film-recorded an address to the public. This statement was presented by Canal Zone radio and television at 6:15 p.m. It reviewed the discussions with Panama during the preceding 2 years with particular reference to the flag issue. The Governor explained the commitment to Panama, the selection of the sites for dual flags, and the issue as to flags at the schools. He stated that—

the flag agreement is a valid commitment of our Government. We Americans in the zone have an obligation as citizens to support that commitment regardless of our personal beliefs. I hope that we American will conduct ourselves with reason, and in an emotional situation successfully avoid emotionalism.

Following the tragic events of Thursday evening, January 9, and thereafter, which are not within the scope of this summary, the dual flags were directed to be flown outside the Canal Zone schools by Secretary of the Army Vance. The following announcement was made on January 11, 1964:

After consultation with Governor Fleming, Secretary Vance announced tonight that the Canal Zone Government will continue to fly the U.S. flag outside public schools in the Canal Zone and that in accordance with the existing agreement between the Republic of Panama and the United States, the Panamanian flag will be flown alongside the U.S. flag at these locations.

Accordingly, poles were erected and the dual flags were flown from 17 public schools in the Canal Zone beginning January 15, 1964.

As of January 19, 1964, the Panamanian flag is being flown or is scheduled to be flown by civilian authorities in the Canal Zone where the U.S. flag is flown, at 30 locations, identified in the attached list which also states the date upon which the two flags were first flown together at each location.

DUAL FLAG INSTALLATIONS IN CANAL ZONE

The location and the date dual flags first flown:

Shaler Triangle, September 21, 1960.
Thatcher Ferry Bridge, October 12, 1962.
Administration Building, Balboa Heights, October 29, 1962.
Administration Building, Cristobal, November 1, 1962.
Miraflores Locks, October 24, 1963.
Gatun Locks, November 9, 1963.
Coco Solo Hospital, November 15, 1963.
Corozal Hospital, November 30, 1963.
Palo Seco Hospital, December 4, 1963.
Margarita Townsite, December 18, 1963.
Balboa High School, January 15, 1964.
Canal Zone College, January 15, 1964.
Balboa Elementary School, January 15, 1964.
Ancon Elementary School, January 15, 1964.
Diablo Elementary School, January 15, 1964.
Diablo Junior High School, January 15, 1964.
Los Rios Elementary School, January 15, 1964.
Pedro Miguel Elementary School, January 15, 1964.
Paraiso Elementary School, January 15, 1964.
Paraiso Junior-Senior High School, January 15, 1964.
Gamboa Elementary School, January 15, 1964.
Santa Cruz Elementary School, January 15, 1964.
Cristobal Junior-Senior High School, January 15, 1964.
Coco Solo Elementary School, January 15, 1964.
Rainbow City Junior-Senior High School, January 15, 1964.
Margarita Elementary School, January 15, 1964.
Gatun Elementary School, January 15, 1964.
Mount Hope Cemetery, scheduled for January 31, 1964.
Corozal Cemetery, scheduled for February 7, 1964.
New Gorgas Hospital, scheduled for later in 1964.

JANUARY 15, 1964.

HON. FREDERICK G. DUTTON,
*Assistant Secretary of State for Congressional Relations, Department
of State, Washington, D.C.*

DEAR MR. SECRETARY: Your letter of December 2, 1963, states that the Department of State agrees that there are advantages in a timely official declaration of policy concerning vital canal matters and that it has been working on the idea.

As an important national policy matter in which the Congress will bear the ultimate responsibility, the coordination of its preparation

with informed congressional leadership would be helpful in producing the type of declaration that will win support in the Congress.

In order to aid in the above direction, I shall appreciate being kept advised in the premises and supplied with advance copies of drafts for study and suggestions.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

JANUARY 24, 1964.

DEAR CONGRESSMAN FLOOD: I wish to acknowledge with thanks your letter of January 15, 1964, in reply to my letter of December 2, 1963, concerning the possible issuance of an official declaration of policy on vital canal matters. The Department wishes to assure you that you and other Members of the Congress will be kept fully advised sufficiently in advance to allow consideration and coordination of all viewpoints in the preparation of U.S. policy toward Panama Canal matters.

If I can be of any further assistance to you in this matter, please do not hesitate to let me know.

Sincerely yours,

FREDERICK G. DUTTON,
Assistant Secretary.

JANUARY 27, 1964.

The PRESIDENT,
The White House.

MR. PRESIDENT: The Panamanian outbreak on January 9, 1964, has aroused the people of the United States concerning the overall interoceanic canal problem to the highest pitch since the famous speed voyage of the *Oregon* in 1898 from the Northwest Pacific around Cape Horn to join the U.S. Fleet off Santiago in the Spanish-American War.

It was that dramatic episode that stimulated our country to undertake the construction of an interoceanic canal, the first major step in which was authorization of an Isthmian Canal Commission to make the necessary explorations, evaluations, and reports with recommendations.

The inherent logic of the present situation, with our Nation animated and various canal ideas being advocated on every hand, is that history will repeat itself. Your administration thus will have a great opportunity for a constructive and lasting achievement of the highest importance, comparable to the historic contributions of President Theodore Roosevelt.

It is to be hoped that you, at the earliest possible date, will send a special message to the Congress urging the enactment of legislation to create the Interoceanic Canals Commission as was recommended to you in my January 7, 1964, letter, copy attached; and that upon such enactment that you will promptly appoint the best qualified men available for commission membership.

In view of recent events at Panama, this move would be both timely, constructive, and immensely popular, and, in an unoffensive way, serve notice to the entire world that our country is not evading its responsibilities under treaty or merely bluffing.

The main points in the bills are the result of extensive study of both needs of the situation and past experience with regard to the Panama Canal. Thus, I would, respectfully, but most earnestly, urge that they receive your approval.

In this general connection, I shall be glad to be of any possible service to you.

Respectfully,

DANIEL J. FLOOD,
Member of Congress.

THE WHITE HOUSE,
Washington, January 28, 1964.

Hon. DANIEL J. FLOOD,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: For the President, I would like to acknowledge your letter of January 27 recommending that he send a special message to the Congress urging the enactment of legislation to create an Inter-oceanic Canals Commission. Your letter will have the President's careful consideration.

Sincerely yours,

LAWRENCE F. O'BRIEN,
Special Assistant to the President.

JANUARY 30, 1964.

Hon. STEPHEN AILES,
Secretary of the Army,
Department of the Army, the Pentagon,
Washington, D.C.

MY DEAR MR. SECRETARY: A careful reading over a period of years of published matter concerning the attitude of Panama toward the United States in relation to the Panama Canal shows the following pattern:

1. Emphasis on the "guilt" of the United States toward Panama in 1903.
2. Belittlement of the treaty based annuities as insufficient compensation.
3. Failure to present other benefits derived by Panama from the United States.
4. Demands for more and more.

As far as I know, no adequate statement of the nontreaty based benefits of the United States to Panama over the years has ever been prepared.

In order to assist in defending our legitimate and indispensable interests on the isthmus, I desire a list showing, year by year since 1914, the total benefits that Panama has received from the United States with a breakdown into principal categories for each year, both as to outright gifts and loan and the extent of payments on the loans.

Kindly advise when this information can be expected, as I consider this as of the gravest importance.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

FEBRUARY 1964.

DEAR MR. FLOOD: This is in reply to your letter to Secretary Ailes of January 30, 1964, in which you asked for a breakdown of the total benefits that Panama has received from the United States since 1914.

A complete list of every benefit to Panama since 1914 from every U.S. Government agency would be extremely time consuming if not impossible to compile. However, we recognized more than a year ago that something of this nature would be useful in our discussions with Panama, and in conjunction with the Department of State initiated the preparation of a document that I hope will fully met your requirements. While it does not include every item received by Panama since 1914, it goes back as far as 20 years for capital items, and lists many benefits that cannot be measured in dollars. It is quite detailed in its coverage of recent years, and thus gives an excellent picture of what Panama could normally expect as continuing benefits from her association with the United States.

As another source of information. I call your attention to House Report No. 2218, 86th Congress, 2d session, "Report on U.S. Relations with Panama." This report includes a review of U.S. contributions to Panama.

The enclosed document is unclassified, and it will be used for public information purposes. I believe that you will find it useful. Please let me know if it and House Report No. 2218 do not satisfy your requirements.

Sincerely,

HARRY C. MCPHERSON, Jr.,
Deputy Under Secretary of the Army (IA).

JANUARY 27, 1964.

HON. STEPHEN AILES,
*Secretary of the Army, Department of the Army, the Pentagon,
Washington, D.C.*

MY DEAR MR. SECRETARY: The following excerpt from a letter from Canal Zone under date of January 15, 1964, is quoted for information and appropriate action:

A young man of Panamanian heritage who fought for the United States in the Korean war and after returning home was given U.S. citizenship and his name is Harrison has been a watchman at Cristobal piers until this happened. The Panamanian police got him on top of the Johnny Walker Building in Colon shooting at the American soldiers as a sniper, and he is now in jail in Colon. This man should not be allowed to work for the Panama Canal Company anymore and his U.S. citizenship should be taken away.

If the facts established by investigation show that the man in question is an American citizen and was shooting at our soldiers, the case would seem to call for appropriate action under law.

Kindly advise me of the premises.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

FEBRUARY 6, 1964.

DEAR MR. FLOOD: I now have further information on the report which you forwarded by letter an January 27, 1964, concerning a

Panama Canal Company employee who is alleged to have taken part in sniping at American soldiers.

Your report was cabled to the Governor of the Canal Zone, who replied as follows:

Ernesto A. Harrison, a Panamanian citizen employee of the Panama Canal Company who served with the U.S. Army July 8, 1952, to July 7, 1954, was reported by reliable sources to have been involved in the disturbances in Colon January 9-12. When questioned on January 13, Harrison denied the charges but submitted his resignation the following day. His Personnel Action Form SF 50 states that he resigned while being investigated as a sniper suspect in the border disturbances January 9, 1964. He will not be reemployed unless it is definitely established that he did not participate as alleged. Harrison has never acquired U.S. citizenship.

I will keep you informed of any further developments in this matter.

Sincerely,

CYRUS R. VANCE.

JANUARY 31, 1964.

Re Panama Canal: Sovereignty and security.

THE PRESIDENT,

The White House:

The 1901 Hay-Pauncefote Treaty with Great Britain recognized the exclusive right of the United States to construct, regulate, and manage a trans-Isthmian Canal. The rules adopted in this convention for its neutralization require the canal to be open to vessels of commerce and of war for all nations on terms of equality, with tolls that are equitable and just. Moreover, under this and the 1903 treaty with Panama, the United States has the obligation and the necessary sovereignty and jurisdiction to take any and all necessary measures to protect the canal from damage or destruction, lawlessness, and disorders. These safeguards are a tribute to our great statesmen who, in the early part of the century, formulated our canal policy.

The opening of the Panama Canal in 1914, coinciding with the outbreak of hostilities in Europe, enabled it to render indispensable services in the conduct of three great wars in the 20th century by the transit of vessels of war, supplies, and troops; World War I and II and the Korean war.

In 1961, the Panama Canal made possible the rapid concentration of our Armed Forces and supplies for a major Cuban operation. Located at the strategic center of the Americas, it will likewise be indispensable for rapid mobilization for limited wars, particularly those in the Western Hemisphere.

In the period between the outbreak of the hostilities and involvement of the United States in the major wars, the Nation's responsibilities primarily concerned the preservation of canal neutrality and secondarily its protection against aggression. After our country became a belligerent, emphasis was placed on defense. The safety of the canal, of course, is basic on all occasions.

The principal factor in U.S. control over the Panama Canal, which has enabled it to meet its treaty obligations and to protect its legitimate vital interests, is exclusive sovereignty over the Canal Zone. Experience over many years, most recently dramatized by the January 1964 Panamanian outbreak, during which there was no interruption

in transits, has conclusively established that the canal cannot be efficiently operated with less sovereignty than that granted by Panama in the 1903 treaty and that canal security in this area of continued bloodshed is inseparable from exclusive sovereignty, for which there is only one recognized symbol, the U.S. flag. Responsibility in a project of such magnitude without undiluted sovereignty is unthinkable.

In view of the treaty obligations of the United States for the operation of the Panama Canal and its responsibilities under the Monroe Doctrine, our Government must never, under any circumstances, permit the loss or dilution of its sovereignty over the canal and its protecting barrier, the Canal Zone.

Supervision of the Panama Canal by the United Nations, as was evidently desired by Alger Hiss, would mean its control by an alien organization increasingly dominated by enemies of the free world, with Communist China as a probable new member; its control by the Organization of American States, as some theorists advocate, would place it under a supposedly friendly agency whose magazine, *Americas*, on pages 10-11 of its October 1963 issue, published propaganda in poetical form calling for wholesale assassinations of political leaders who may be denominated as "tyrants"; and its direction by Panama would subordinate it to an unstable government infiltrated by Soviet agents and influenced by Panamanian Communists trained in Cuba in violence and sabotage and which does not possess the capacity to collect its own garbage from the streets of Panama City and Colon. Regardless of what safeguards may be erected in these regards, all three would be in positions to use the Panama Canal as a weapon of warfare against the United States just as Egypt, in violation of the 1888 Convention of Constantinople, has done on two occasions at the Suez Canal and threatened to do on others.

To assist the Congress in defending the legitimate vital interests of the United States over the Panama Canal and Canal Zone, as now embodied in the two treaties mentioned and as confirmed in the 1914 treaty with Colombia, proclaimed in 1922, I desire a statement embodying the principal points in this memorandum and emphasizing the imperative necessity for retaining undiluted U.S. sovereignty over the Panama Canal and Canal Zone as indispensable for the protection of the United States and the entire Western World.

Because of the necessity for our Government and our country not to be misled by discussions about a second canal as making the Panama Canal unworthy of attention, I respectfully urge a public statement stressing the points as above developed.

Respectfully yours,

DANIEL J. FLOOD,
Member of Congress.

THE WHITE HOUSE,
Washington, February 5, 1964.

HON. DANIEL J. FLOOD,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: For the President, may I acknowledge your letter of January 31 regarding sovereignty over the Panama Canal

and the Canal Zone, and requesting the President to make a statement embodying the points contained in your letter.

This letter will have most careful consideration.

Sincerely yours,

LAWRENCE F. O'BRIEN,
Special Assistant to the President.

FEBRUARY 6, 1964.

HON. FREDERICK G. DUTTON,
Assistant Secretary of State for Congressional Relations, Department of State, Washington, D.C.

DEAR MR. SECRETARY: Thank you for your letter of January 30, 1964, and its enclosed summary background on flying the Panamanian flag in the Canal Zone territory. This summary, with the single exception of the indentation of one paragraph, seems to be identical with the summary published in the Panama Canal Spillway of January 27.

As you know, I have dealt at length with the unauthorized display of the Panamanian flag in the Canal Zone in addresses to the Congress and have made some pointed observations thereon.

The special representative of the Department of State sent to the isthmus following the November 3, 1959, attempted mob invasion of the Canal Zone, which I had predicted on the floor of the Congress, was Under Secretary of State Livingston Merchant, who is not specifically named in the summary and who at no time defined the term "titular sovereignty."

After he made his November 24, 1959, statement I wrote him a critical letter challenging his authority. In reply, he stated that the indicated action did not originate with him and that he was acting under instructions. It is unfortunate that he and his superiors did not seem to realize that the Panama Canal is neither a filling station nor a Safeway store but, indeed, one of the great agencies for the betterment and protection of the free world.

The specific information that I wish to have may be covered in the following questions:

(a) What is the name of the official in the Department of State who originated the proposal to fly the Panama flag in the Canal Zone as visual evidence of "titular sovereignty"?

(b) What are the names of the officials who approved the instructions to Under Secretary Merchant?

(c) Was the enclosure to your letter prepared in the Department of State or in the Panama Canal organization?

(d) What is the Department of State's definition of the term, "titular sovereignty"?

(e) Is it anything more than the reversionary clause in a deed which conveys full perpetual title to property with a provision that if the grantee fails to use the property for the purposes for which it was conveyed, as for instance, in charitable and educational transactions, there is reversion of title to the grantor?

(f) Why is it not made clear to the Panamanian Government and the world at large exactly what the Department of State means when using the term, "titular sovereignty"?

(7) Is it the contention of the Department that the United States, in the building, operation, and maintenance of the canal has by omission or commission been guilty of acts which have the effect, of nullifying the grant of sovereignty in perpetuity accorded by the 1903 treaty?

In these general connections permit me to quote the statement by former President Theodore Roosevelt on December 2, 1918, the year after John Reed's declaration in Petrograd for internationalizing the Panama Canal:

The Panama Canal must not be internationalized. It is our canal; we built it, we fortified it, and we will protect it, and we will not permit our enemies to use it in war. In time of peace, all nations shall use it alike but in time of war our interest at once becomes dominant (Congressional Record, Feb. 4, 1964, p. A501).

In order that I may advise the Congress in the premises, full information is desired and an early reply is respectfully requested.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

[From the New York Times, Feb. 27, 1964]

CANAL ZONE'S CASE: ARMY DENIES RESIDENTS WERE TO BLAME FOR RIOTS THAT SPARKED PANAMA CRISIS

(By Hanson W. Baldwin)

Army officials are concerned by what many of them regard as distorted or inaccurate press reports about the January riots in Panama.

Mediators of the Organization of American States have drafted a formula for solving the crisis arising from Panama's break in relations with the United States over the riots, but neither country has accepted the formula. The Army, which is charged with operating the canal and maintaining its security, is worried by the effect upon future discussions of what many officers feel has been the misleading impression given the American public.

Army officials fear that the charge of aggression that Panama leveled against the United States has been tacitly accepted by part of the U.S. press even though, according to reports, the OAS Committee has rejected it.

AGGRESSION IS DENIED

These officers call the charge of aggression unwarranted. They believe the riots were encouraged by local politicians and by the Panamanian press and radio, and were organized and led in part by some identified Communists and Castro sympathizers.

Civilian residents of the Canal Zone have been unfairly condemned, in the Army's opinion.

Gov. Robert J. Fleming, Jr., of the Canal Zone, has said in a message to the zonians that the "first batch of newspapers from the States (after the riots on January 9 and 10) really clobbered the zonians."

"It is essential," he said, "that we get the true story before the American public."

The zonian, he declared was not responsible for the crisis, or for the riots. Governor Fleming thanked the canal's employees for a "magnificent record of sustained service to shipping" during the crisis.

The defense of the zonians and of the conduct of troops who protected the zone during the riots has been played in a soft key by Army officers to avoid complicating efforts to find a diplomatic solution of the Panamanian-United States rift.

Some officers fear that criticism they consider unwarranted has hurt the image of the United States and that it has depressed the morale of the zonians.

EFFICIENCY MAY BE REDUCED

They fear the effect of continued criticism on future operational efficiency in the zone. They also believe that misleading impressions may prejudice the U.S. operational and military control of the canal.

They consider that the canal still has major strategic importance—politically throughout the Caribbean and Latin America, economically to U.S. trade, and militarily in limited war.

The Army is proud of the manner in which the United States has operated and maintained the canal. It is proud of the aid and services provided by the Canal Zone, the U.S. Government, and individual citizens of Panama and to Panamanians.

Detailed figures compiled by the Army provide the statistical background for this pride. These figures show that in 1962 the Republic of Panama received an estimated total of \$84,395,000 in purchases and payments from Canal Zone sources, an amount about \$17 million greater than the Panamanian national budget.

The Army pointed out that in addition to the \$84,395,000, tourists—most of them American—have pumped about \$14 million into the Panamanian economy every year.

In the fiscal years 1961 to 1963, major U.S. loans and grants (excluding military assistance) to Panama totaled \$39.2 million. Loans from international lending institutions, financed chiefly by the United States, added \$24.5 million. In the last 20 years the United States has transferred to Panama without charge lands and improvements with a market value of \$40 million.

Each year the Canal Zone provides, either free or at less than cost, health and sanitation services, agricultural advice, purified water, transportation, docking, schooling, housing, police and firefighting training or services, lighthouses and aids to navigation, and an apprentice training program.

SERVICES YIELD

These services in many cases generate income for the Panamanian Government. Seventy percent of the water purified by the Panama Canal Company, for instance, went to Panama, where it was resold at a profit.

The United States is the largest employer in Panama. Almost 16,000 non-U.S. citizens, chiefly Panamanians, work in the Canal Zone. About 11,000 of them live there in low-rental housing provided by the United States.

They form by far the major portion of the canal's work force: there are only about 3,500 U.S. citizens in the Panama Canal Company and the Canal Zone Government, exclusive of military personnel.

ARMY SPONSORS PROGRAMS

In addition to the official payments, grants, loans, services, and tourist expenditures, extensive people-to-people programs have been sponsored by the Army.

These have touched virtually every facet of Panamanian life and represent private and personal contributions to Panama in the form of hot lunch programs and school supplies, athletic facilities, participation in festivals, and so on.

The canal and the income it generates, plus the dollars provided chiefly by U.S. taxpayers, give Panama an economic viability that few other Latin American nations enjoy, the Army declares.

The Army and Federal employees in the Canal Zone deny that the Canal Zone employee is overpaid and lives in parochial seclusion in a golden ghetto, remote from Panamanian poverty.

JOBS ARE FILLED LOCALLY

Some 20 percent of the upper civil service and management grades in Canal Zone employment are filled by Panamanians. This number is increasing as Panamanians with requisite skills are trained.

Americans in Canal Zone employment receive, in these upper grades, the same base pay as their Panamanian associates, plus a 25-percent tropical allowance and a tax factor differential provided for in the 1955 treaty revision. Unlike other U.S. Government employees overseas, the zonian does not receive free living accommodations or quarters allowance.

From the zone itself a longtime Federal employee has written that the zonians are "like the people of any other small community in the United States * * *" and that they have "received a great deal of unmerited abuse."

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I am delighted to yield to the gentleman from Iowa.

Mr. GROSS. I commend the gentleman from Pennsylvania for his statement. What the gentleman has said is exactly true. It was a shocking thing that the President of the United States, President Eisenhower, at that time would flaunt the will and the intent of Congress in this matter.

I thank the gentleman for yielding.

Mr. FLOOD. You are very kind.

Mr. BENNETT of Florida. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Florida.

Mr. BENNETT of Florida. Mr. Speaker, I wish to praise the gentleman now in the well of the House for taking this time today. When other people were not seeing the problem that lay ahead of us, he saw it clearly, he was coming to the Congress and pointing up this matter clearly. It is sometimes difficult for a man with the leadership the gentleman has shown, and he has shown it so well for our country, to go into these irritating subjects which people do not want to have come up. They would rather look another way. Your courage in this, your seeing ahead then and your seeing ahead today entitles you to

great credit. The gentleman is a very great statesman of our country, and I wish to congratulate him on this leadership.

Mr. FLOOD. The gentleman from Florida is always kind. Of course, he comes from Florida. As he knows, I was raised in Florida. I am not a damn-Yankee, I am just a Yankee. I am half a Yankee.

Of course, Florida is on the flank of the canal. It has special significance as all matters in the Caribbean have to the great sovereign State of Florida, and the gentleman from Florida. Hence his interest.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Wisconsin, who is a member of my Subcommittee on Defense Appropriations, and on this subject knows whereof he speaks.

Mr. LAIRD. Mr. Speaker, I would like to commend the gentleman from Pennsylvania for his very fine statement and discussion and the information which he has given the House today. He is a very able and distinguished member of the Department of Defense Appropriations Subcommittee. I would like to ask the gentleman two questions. First, it is my hope that this information will be communicated as rapidly as possible to our Ambassador to the United Nations, the Honorable Adlai Stevenson.

Mr. FLOOD. If I may interrupt, if he does not know he should know, which legally is about the same thing.

Mr. LAIRD. I would like to ask the gentleman if he does plan to supply this information to him.

Mr. FLOOD. No, I do not. I take for granted that the Ambassador of the United States of America to the United Nations should be conversant with this; and if he is not conversant with it, he is derelict.

Mr. LAIRD. As I read over his answer I was somewhat concerned that he did not have the information available, which I had hoped he would have.

Mr. FLOOD. I am sure the gentleman knows that the Ambassador is the Chief of Delegation for the U.S. Mission to the United Nations. He does not make policy. He cannot act, as is generally the case with the Chief of Missions, without instructions from his government.

Mr. LAIRD. I think it is important for us to make it very clear that the United States of America has not profited from the canal operations. As a matter of fact, we have not retired \$1 of the original indebtedness to build this canal. We have not amortized the canal at any time. It seems to me that this point needs to be made.

Mr. FLOOD. I might say it this way. The point the gentleman makes is quite correct. There is this difference. In round figures, including our payment for the purchase of property, our acquisition of property—and this is not generally known, by the way; the United States of America bought and paid for all of the private property in that Canal Zone, hundreds and hundreds of millions of dollars, to which we have taken title, just as the gentleman would to his house in Wisconsin. We bought and paid for a title of real estate in the United States of America, not from the Republic of Panama, but from the private titleholders who were from all over the world. They gave full and complete title in perpetuity to the realty in the zone. That information is not generally known.

Mr. LAIRD. We have not amortized any of that investment.

Mr. FLOOD. Except this. We have reduced our indebtedness in the zone by something over \$1 billion. But there still remains pretty nearly another \$1 billion. I would suggest to our Government that if and when they sit across the table from the agents and representatives of the Republic of Panama to discuss or negotiate, or whatever this semantic nonsense is going to result in, that they keep in mind if Panama insists and persists their payment be increased, that we agreed to pay them \$250,000 a year. In 1955 the Senate approved a revision of the treaty to \$750,000, and it was again revised so that it is now \$1,900,000 a year.

Now we are at such a point—and I think this is what the gentleman from Wisconsin is pointing to—this canal is not a profitmaking organization. It was never intended to be a profitmaking organization. This is a totally owned Government corporation operated by international treaty—for the maritime nations of the world we operate this canal as a fiduciary, maintain, operate, sanitize, and defend the canal in the best interests to guarantee free access and commerce to the maritime nations of the world for their ships in peace and war and in all time. So it is not a profitmaking operation. It was never intended to be.

It was not intended to be. And, if we pay the Panamanians 5 cents more than we are giving them now, it will have to come from the General Treasury and from the pockets of the American taxpayers for the first time. Do not forget that.

Mr. LAIRD. If the gentleman will yield further, the problem involved here is that the Panamanian Ambassador gets up and tells about what a great profitmaking operation this is for the U.S. Government. It does not appear to me that the U.S. Ambassador to the United Nations should remain silent on that particular point because that is not according to the facts.

Mr. FLOOD. I agree with the gentleman.

Mr. LAIRD. I commend the gentleman from Pennsylvania for bringing this information to the attention of the Members of the House today.

Mr. FLOOD. I like what the gentleman from Wisconsin said. But, of course, I repeat again that Mr. Stevenson is the U.S. Ambassador to the United Nations and he has, with rare exceptions no general authority, to make policy, as all ambassadors or chiefs of missions, on matters of policy and certainly in a case like this, he is controlled and policy is established by the Government and the Department of State. I would hope that would be the reason. What would come from the State Department in a thing like this, your guess is as good as mine. I have not the faintest idea.

Mr. DORN. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I am delighted to yield to the gentleman from South Carolina [Mr. Dorn] because he has been listening to me on this thing since about the time of the War Between the States, or pretty near that time. He has always been patient and he is always here listening and makes good comments.

Mr. DORN. Mr. Speaker, of course I want to commend my distinguished friend from Pennsylvania for again bringing to the attention of the Members of the House and the country this dire threat not

only to the Canal Zone but to the very security of the United States of America, and a direct challenge to our leadership not only of the free world but of the Western Hemisphere.

Mr. Speaker, I point out to the Members of the House that at one time Russia was on the defense. We were boxing her in and sealing her off with our various alliances such as SEATO, NATO, and through these various other organizations and alliances of countries such as Turkey and Greece, Western Europe and southeast Asia, and all around the periphery of Russia. She was being sealed off. But she turned the tables when she occupied Cuba and is now moving insolently, boldly, and brazenly on from there to seize the canal itself and completely seal off and box off—isolate—the United States of America.

Mr. Speaker, this operation is almost approaching its final stage. When we are isolated from the Canal Zone and from South America we are through not only as the leader of the free world and the Western Hemisphere, but as a sovereign nation. We are isolated and rendered impotent.

Mr. Speaker, it is time for us to act. Of course, my distinguished friend, the gentleman from Pennsylvania [Mr. Flood], with his forthrightness and his courage has been bringing this to the attention of the House of Representatives and the Nation for years.

The gentleman from Pennsylvania [Mr. Flood] after today will be attacked again by Tass. The gentleman's name will be mentioned all over South and Central America on the Soviet broadcast in the Spanish language, as mine was mentioned on the 16th day of January of this year following some remarks which I made here with reference to the recent attack on the Canal Zone, viciously attacked all over South America. The gentleman from Pennsylvania will be attacked in like manner.

Mr. FLOOD. I would not win a popularity contest in Panama or Moscow, I do not think. I do not think the gentleman from South Carolina would either.

Mr. DORN. If the gentleman will yield further, I want to point out this further fact. Our people who still talk about coexistence with Soviet Russia—I am not talking about Peiping now or Red China, we all know she is bad—but these parties who want to pursue the line of coexistence, I say to them it was Tass in Moscow in January which called me some of the vilest names in the world through the Latin American broadcast simply because I pointed out to the Members of the House of Representatives and to the country the importance of the canal to the free world. The gentleman will also be attacked in like fashion.

Mr. FLOOD. My farmers have an old expression. They say that any jackass can kick down a barn but it takes a carpenter to put it back together again. The gentleman I am sure has heard that expression down in South Carolina.

I am very grateful to the gentleman for the contribution which he has made to this discussion.

(Mr. Flood asked and was given permission to revise and extend his remarks and to include certain documents, statements, and editorials.)

Mr. BENNETT of Florida. Mr. Speaker, I warmly congratulate the statesman from Pennsylvania on his leadership in presenting these issues to the country and to the world. Nothing succeeds like success.

Nothing fails like failure. Our country needs to stand up firmly for its rights, regardless of the consequences—for in the long run an opposite course will mean disaster for our country and for the free world.

I voted for the resolution prohibiting the flying of the Panamanian flag in our canal territory and would do so again today. My resolution of January 6, 1960, was the first resolution introduced in Congress to use the Monroe Doctrine and U.S. troops, if necessary, to prevent Russian colonization of the Western Hemisphere. If we had adhered to the Monroe Doctrine in Cuba, we would not be having the trouble we are now having in Panama. The source of our trouble in each case is the same—Russian imperialism. We must exert every possible effort to oust communism from Cuba and to prevent its takeover in Panama. The Panama Canal must remain in our hands for our security as well as that of the rest of the free world.

I am today asking the State Department and other appropriate agencies of our Government for a new estimate of the number of Russian troops and technicians in Cuba today, 90 miles from Florida, and for the number of known Russian agents in the Panama Canal Zone still remaining after their revolutionary efforts in connection with the recent flag incident. We should leave no stone unturned in our efforts to remove these cancers from our side.

Referring to what the gentleman from Pennsylvania has said about personnel in the State Department, some of the levels of the State Department seem to repeatedly give advice on the basis of appeasement rather than firmness. I am convinced that it is in the best national interests for the State Department to have a more flexible tenure system so that our new President will have an opportunity to remove from the source of the advice he receives persons who have persistently taken a weak and dangerous policy for our country. I have no evidence of any Communist sympathizers in this personnel, but the fact remains that the last three Presidents have oftentimes received advice which has been characterized by weakness and fear, an invitation to war and disaster.

[From the Congressional Record, 88th Cong., 2d sess., Mar. 11, 1964]

PANAMA CANAL: FORMULA FOR FUTURE CANAL POLICY

Mr. FLOOD. Mr. Speaker, in an address to this body on March 9, 1964, under the title of "Panama Canal: Focus of Power Politics," I dealt at length with certain crucial aspects of the overall interoceanic canals problem and suggested a plan of action for our Government. This program includes the following:

First. Prompt approval by the Congress of House Congressional Resolution 105, introduced by Chairman Clarence Cannon of the Committee on Appropriations.

Second. Prohibition by legislation of the use of any appropriated or other Government funds for the formal display of any flag in the Canal Zone, not authorized by specific treaty provisions, other than the flag of the United States and similar prohibition of the use of such funds to pay salaries for non-U.S. citizens in security positions of either the Canal Zone Government or the Panama Canal Company.

Third. Creation by the Congress of an independent and broadly based Interoceanic Canals Commission as outlined in bills introduced by the Representatives Bow, Hosmer, Thompson of Texas, and myself, to make the necessary studies, reports, and recommendations as regards future Isthmian Canal policies.

Mr. Speaker, to aid the Congress in the consideration of this program for action, there is much factual information that should be understood. This, I shall try to summarize in a form that will facilitate its consideration.

I. PANAMA CANAL SOVEREIGNTY AND OWNERSHIP

First. The long-range commitment of the United States under the 1901 Hay-Pauncefote Treaty with Great Britain which has been generally recognized provides, for exclusive control, ownership, and management by the United States of an Isthmian Canal.

Second. The United States acquired exclusive sovereignty over the Canal Zone and Panama Canal through the grant by Panama of sovereignty in perpetuity in the 1903 treaty under international law.

Third. In addition, the United States acquired title to all land, water, and property in the Canal Zone, including the Panama Railroad and other holdings of the French Panama Canal Co., under the laws of France, Panama, and the United States.

Fourth. The title of the United States to this land, water, and property in the Canal Zone was also recognized by Colombia, the sovereign of the Isthmus prior to November 3, 1903, as "vested entirely and

absolutely in the United States," in the 1914-22 treaty with Colombia, which still has vested interests in the Panama Canal comparable to those of Panama.

Fifth. Since 1939, U.S. sovereign rights, power, and authority over the Canal Zone and canal have been eroded by first, a series of ill-advised surrenders by the executive branch of our Government to the radical demands of Panama, in contemptuous disregard of provisions of law, formal action of the House of Representatives, and international usage; and second, a number of unwarranted cessions to Panama by the treaty-making power of our Government, but without modifying the fundamental sovereignty and perpetuity provisions of the 1903 treaty.

II. TITULAR SOVEREIGNTY—ORIGIN AND DEFINITION

First. The first mention of Panamanian "titular sovereignty" over the Canal Zone was by Secretary of War Taft in 1905 when appearing before the Senate Committee on Inter-oceanic Canals, but he always emphasized that the term was not a valid claim except in a residual sense and did not affect exclusive U.S. sovereignty over the zone and Panama Canal to the entire exclusion of the exercise by Panama of any such sovereign rights, power, or authority.

Second. Later, as President-elect and as President, Mr. Taft emphasized the position of the United States as the exclusive sovereign over the Canal Zone and Panama Canal, as provided by treaty and, in a 1912 Executive order, decreed that all the Canal Zone is necessary for the maintenance, operation, sanitation, and protection of the Panama Canal.

Third. The question of sovereignty remained unclouded until 1959, when an emissary of the Department of State in Panama, on behalf of his superiors, announced recognition of Panamanian "titular sovereignty" over the Canal Zone but failed to define the term, which omission, as foreseen by experienced observers at the time, served to compound the confusion with more tragic results than those of the incident that this emissary was then attempting to solve.

Fourth. The term, "titular sovereignty" means a reversionary interest of Panama, just as used in deeds of real estate conveyance, and nothing more, in the sole event that the United States should fail to meet its treaty obligations to maintain, operate, sanitate, and protect in perpetuity the Canal Zone and Panama Canal. It does not extend to Panama any sovereign rights, powers, or authority which are vested entirely in the United States to the entire exclusion of the exercise by Panama in any respect as long as the United States maintains and operates the Panama Canal in conformity with treaty obligations.

Fifth. Under the circumstances that have evolved, the United States should now redeclare its policy on the question of sovereignty. Until this is done by our Government with an adequate redeclaration of our isthmian policy, such as that in House Concurrent Resolutions 105, 113, and 120, Panama will continue to make wild, extravagant, and impossible demands with a continuance of the present confusion and chaos.

III. PANAMA CANAL SOVEREIGNTY CLARIFICATION: HOUSE CONCURRENT RESOLUTIONS 105, 113, AND 120

First. Early in the 88th Congress, Representatives Clarence Cannon, Bow, and I introduced House Concurrent Resolutions 105, 113, and 120, respectively, identical measures to clarify, reaffirm, and make definite U.S. policy with respect to the sovereignty and ownership of the Canal Zone and Panama Canal, which resolutions are now before the Committees on Foreign Affairs.

Second. The adoption of these measures by the Congress does not require approval by the President and thus would avoid Executive embarrassment as the responsibility therefor would be borne by the Congress and, in turn, by the people of the United States.

Third. Prompt approval by the Congress is imperative and urged as the first step in what will take a series of actions by our Government before the overall canals question is adequately resolved.

IV. CANAL AT NICARAGUA OR ELSEWHERE

First. The only interoceanic canal route other than the Panama site, now covered by treaty, is that at Nicaragua, which is provided for in general terms under the Bryan-Chamorro Treaty of August 5, 1914. No doubt a Nicaragua canal would require a supplementary treaty. In addition, such canal, for reasons of defense and others, may require treaties with Costa Rica, Salvador, and Honduras as well.

Second. As has been amply established in my previously cited address, the Panama Canal enterprise is governed and operated under a workable treaty and would not require a new treaty except in the sole event of a sea-level undertaking at that location. This is not covered by treaty and would require a new one to supply the specific conditions for its construction.

Third. Locations for interoceanic canals at other sites than the Canal Zone and Nicaragua would involve entirely different circumstances and would necessitate new treaty arrangements to specify the contractual provisions for site acquisition, construction, and subsequent operation and control.

V. OVERALL INTEROCEANIC CANAL PROBLEMS

First. The elements forming U.S. interoceanic canal policy, though ascertainable in textbooks and scholarly articles, have never been formally and authoritatively stated in one place.

Second. The problems that must be considered in the formulation of such policy include the following:

(a) The modernization of the existing Panama Canal through adaptation of the suspended third locks project—53 Statutes at Large 1409—to provide a summit-level lake anchorage in the Pacific end of the canal, to correspond with that in Gatun Lake in the Atlantic end, a plan favored by many experienced, independent engineers, atomic warfare, navigational and other canal experts, including virtually all the distinguished engineers who participated in the construction of the present canal, and who cannot be dismissed as uninformed, incompetent or inexperienced.

(b) The construction of a new Panama Canal of sea-level design or any modification thereof in the Canal Zone near the present site.

(c) The construction and ownership by the United States of another canal at a different location.

(d) The operation, maintenance, sanitation and protection of a modernized Panama Canal or of any new canal that may be recommended.

(e) The treaty and territorial rights that may be deemed essential.

Third. Experience has shown that to secure a forthright determination and evaluation of the above listed problems, the services of an independent, broadly based and highly competent Inter-oceanic Canals Commission under congressional authorization is indispensable. Experience has also shown that satisfactory results cannot be obtained by part-time or *ex parte* boards, necessarily dependent on administrative agencies, and that an independent inquiry is absolutely indispensable.

VI. OBSERVATIONS ON PENDING BILLS

First. A number of measures, introduced in both House and Senate, to deal with the overall canal problem require some comments to the ends that the mistakes of the fact will not be repeated, that the necessary investigations shall be comprehensive, and that the policies recommended may be realistic.

H.R. 80, INTRODUCED BY CHAIRMAN BONNER, OF THE COMMITTEE ON MERCHANT MARINE AND FISHERIES

First. The key terms in this measure are identical with those in the ambiguous and discredited 1945 Public Law 780, 79th Congress, which directed the Governor of the Canal Zone—then Panama Canal—to investigate and report upon his own domain. The Governor's 1947 recommendation called for the construction of only a sea-level project in the Canal Zone, which recommendation the President did not approve and the Congress did not accept.

Second. H.R. 80 would merely repeat the same type of inquiry, with the name of the Panama Canal Company substituted for the Governor, which, in view of the facts involved, would merely supply another 1945-47 type of investigation, which was wholly inadequate in scope and directed toward securing authorization of a predetermined objective of a small professional group.

Third. H.R. 80, it is especially important to note, includes the terms, "security" and "national defense," in addition to the normal factors for such inquiry, "capacity" and "inter-oceanic commerce" as did the 1945 bill. The 1945 bill was drafted in the Panama Canal organization by those who later directed the inquiry under Public Law 280, 79th Congress.

Fourth. The terms, "security" and "national defense," it is most significant, were conveniently inserted in the 1945 bill and this enabled their exaggerated interpretation by the Governor as paramount and controlling, and hence a "mandate" from the Congress for a recommendation for only the indicated predetermined objective of certain

professional engineers for a canal at sea level in the Canal Zone. This recommendation served to exclude from serious study what independent, experienced experts, maintenance and operational, consider to offer the best solution when evaluated from all crucial angles. Moreover, the 1947 report aroused wide professional criticisms, in and out of Government service, by eminent atomic warfare, economic, engineering, geological, navigational, and other experts, who were well informed, competent, and experienced.

Fifth. In the light of subsequent revelations, in lay and technical literature, it is fortunate that the Congress was not stampeded, for no action was taken and the 1947 report of the Governor's inquiry was not published, a procedure contrary to that normally followed in such cases.

Sixth. The Congress is far better informed today in 1964 about interoceanic canal questions than it was in 1945 and will not be fooled again by self-serving proposals for legislation.

Seventh. H.R. 80 would not supply an independent, broadly based body required by the situation but would give effective control of the resulting inquiry to the same *ex parte* groups primarily concerned with covering up their own errors, such as the third locks project fiasco, for which the advocacy of a vast sea-level undertaking in the Canal Zone has served quite effectively, and would leave the canal situation in a state of compounded confusion.

S. 2438, INTRODUCED BY SENATOR COTTON

First. With the exception of calling upon the President to appoint a "commission" of unspecified strength and qualifications, which shall include representatives of the Panama Canal Company, S. 2438 is identical with H.R. 80.

Second. For these reasons, the remarks on H.R. 80 apply to S. 2438.

S. 2497, INTRODUCED BY SENATOR MAGNUSON AND FIVE COSPONSORS

First. S. 2497 specifically calls for a predetermined type of canal across the American isthmus at a location to be decided upon and would vest three high administrative officials of our Government with the authority to make the necessary studies, reports and recommendations in a period of 6 months, which period is entirely inadequate.

Second. Like H.R. 80 and S. 2438 previously discussed, S. 2497 would not supply an independent and broadly based commission but would only be an administrative body necessarily interested in advancing its own proposals or in defending its errors.

Third. Because of these facts, it is entirely unacceptable to informed House leadership and would not be approved by the House.

H.R. 863, H.R. 3858, H.R. 5787, AND H.R. 8563 INTRODUCED BY REPRESENTATIVES BOW, FLOOD, HOSMER, AND CLARK W. THOMPSON, RESPECTIVELY

First. These House measures are designed to provide the independent broadly based type of inquiry that the interoceanic canals problem indispensably requires.

Second. They provide for a predominantly civilian commission of 11 members, of which 8 would be civilians, and 3 from the combatant branches of the armed services, with one of the civilians to be chairman.

Third. Its task would be the exploration and study of all canal proposals with the objective of recommending the best site and the best type, with due consideration to all crucial factors involved, or which would include vital treaty questions of sovereignty, duration, indemnities, and annuities.

Fourth. This commission should be composed of the best qualified men, fully objective in outlook, that our country can muster. Such commission would permit selection of its members with backgrounds along the lines indicated in the following table, subject, of course, to any necessary variance:

PROPOSED INTEROCEANIC CANALS COMMISSION

Statutory requirements, desired professional background combinations

Civilian¹ chairman, executive and engineering.
 Civilian, international trade and transportation.
 Civilian, shipping executive and marine.
 Civilian, legal and governmental.
 Civilian (engineer), nuclear warfare and channel design.
 Civilian (engineer), engineering-geology and soil mechanics.
 Civilian (engineer), engineering-geology and heavy marine structures.
 Civilian (engineer), hydraulic and flood control.
 Army-line² (active or retired), broad military and jungle warfare experience.
 Navy-line (active or retired), board naval and command experience.
 Air Force (active or retired), broad air and defense planning.

VII. GENERAL OBSERVATIONS

Mr. Speaker, the United States faces a combination of canal problems equal to, or exceedingly, the magnitude of those that faced our country in the early part of the 20th century, with following issues resurrected in slightly different forms: the 1902 struggle over routes, the 1903 Panama Revolution and acquisition of the Canal Zone, and the 1906 "battle of the levels" as to type.

With history now repeating itself, the challenges of today offer an opportunity worthy of comparison with that seized and consummated by President Theodore Roosevelt. To meet these challenges, the leaders in our Government, both in the Congress and the executive branch have had the benefit of extensive documentations in the Congressional Record of all the major aspects of the problems involved.

A study of these sources will disclose little of basic character that is different from what was considered with respect to the existing canal. The only matters that are really new are the responsible personnel involved which, for the most part, have not shown themselves to be adequately versed in interoceanic canal history.

As to the oft-repeated contentions of sea level advocates concerning protection of the Panama Canal from enemy attack through passive defense measures embodied in the design of the canal, an examination of President Theodore Roosevelt's message of February 6, 1906, to

¹ Commission will be predominantly civilian, with one of the civilians as chairman.

² Members from the Armed Forces will be officers of the line.

the Congress, which is attached, will be helpful. This will disclose that he admitted that a "canal at sea level would be slightly less exposed to damage in event of war" but that he disregarded this assumption as controlling and decided on the basis of operational merit, engineering feasibility, and costs.

In 1905-06, the debates and arguments over the type of canal centered on the questions of relative vulnerability. In 1964, the terms embodied in some of the bills cover the same subject under the new terms, "security" and "national defense," which are mere matters of difference in nomenclature.

Upon the advent of the A-bomb in 1945, advocates of a sea level canal in the Canal Zone seized upon this powerful weapon as a psychological lever to force the Congress to authorize what was their own predetermined concept going back many years. Subsequently some of the leading nuclear warfare and other experts of the highest eminence, in and out of Government service, opposed such misuse of the A-bomb as a weapon in propaganda and as irrelevant in the planning of navigational projects. The result was that the Congress, despite a determined drive by these advocates and their industrial supporters, heeded the warning of nuclear experts and did not accept the recommendation of the 1947 Governors' report, made under the authority of Public Law 280, 79th Congress, which urged authorization of only a canal at sea level with tidal locks in the Canal Zone.

Mr. Speaker, the entire world is watching to see what we do with regard to the increase of trans-isthmian transit capacity. Let us pull together on this vital matter and provide the nation and the Congress with the indispensably needed independent commission so that this crucial policy matter can be resolved on the highest plane of statesmanship.

Above all, at this critical period in the history, we must not permit current hysteria and self-serving propaganda concerning a second canal divert us from what must be our first objective: to stand firmly against unreasonable demands at Panama where we have a fine canal now approaching saturation and obsolescence and an adequate treaty covering the major enlargement of the existing canal. Moreover, there is no better place or way in which to make a legitimate stand for the defense of the Western Hemisphere.

To facilitate reference to the documents mentioned, I include as part of my remarks the texts of House Concurrent Resolution 105, H.R. 3858, President Theodore Roosevelt's message to the Congress on February 19, 1906, and a 1954 memorial to the Congress prepared by distinguished engineers and others who participated in the construction of the Panama Canal and which, with minor revision, applies with equal force today, and a 1964 release of the Atomic Energy Commission.

The indicated papers follow:

HOUSE CONCURRENT RESOLUTION 105, IN THE HOUSE OF REPRESENTATIVES,
MARCH 4, 1963

(Mr. Cannon submitted the following concurrent resolution; which was referred to the Committee on Foreign Affairs:)

Whereas the United States, under the Hay-Bunau-Varilla Treaty of 1903 with Panama, acquired complete and exclusive sovereignty over the Canal Zone

in perpetuity for construction of the Panama Canal and its perpetual maintenance, operation, sanitation, and protection; and

Whereas all jurisdiction of the Republic of Panama over the Canal Zone ceased on exchange or ratifications of the 1903 treaty on February 26, 1904; and

Whereas since that time the United States has continuously exercised exclusive sovereignty and control over the Canal Zone and the Panama Canal; and

Whereas where responsibility is imposed there must be given for its effectuation adequate authority; and with respect to the Panama Canal the treaty of 1903 so provided; and

Whereas the United States has fully and effectively discharged all its treaty obligations with respect to the Panama Canal and the only legitimate interest that Panama can have in the sovereignty of the Canal Zone is one of reversionary character that can never become operative unless the United States should abandon the canal enterprise; and

Whereas the policy of the United States since President Hayes' message to the Congress on March 8, 1880, has been for an interoceanic canal "under American control," that is to say, under the control of the United States; and

Whereas the grant by Panama to the United States of exclusive sovereignty over the Canal Zone for the aforesaid purposes was an absolute, indispensable condition precedent to the great task undertaken by the United States in the construction and perpetual maintenance, operation, sanitation, and protection of the Panama Canal, for the benefit of the entire world; and for which rights, the United States has paid the Republic of Panama the full indemnity and annuities agreed upon by the two nations; and

Whereas, on February 2, 1960, the House of Representatives in the Eighty-sixth Congress, by an overwhelming vote, approved H. Con. Res. 459, favorably reported by the Committee on Foreign Affairs, as follows:

"Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that any variation in the traditional interpretation of the treaties of 1903, 1936, and 1955 between the United States and the Republic of Panama, with special reference to matters concerning territorial sovereignty shall be made only pursuant to treaty."

Whereas, because of continuing claims of sovereignty over the Canal Zone by Panama which, if granted, would liquidate United States control of the Panama Canal and Canal Zone, a further declaration by the Eighty-eighth Congress is deemed necessary and timely: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (1) the United States, under treaty provisions, constitutionally acquired and holds, in perpetuity, exclusive sovereignty and control over the Canal Zone for the construction of the Panama Canal and its perpetual maintenance, operation, sanitation, and protection; and

(2) That there can be no just claim by the Republic of Panama for the exercise of any sovereignty of whatever character over the Canal Zone so long as the United States discharges its duties and obligations with respect to the canal; and

(3) That the formal display of any official flag over the Canal Zone other than that of the United States is violative of law, treaty, international usage, and the historic canal policy of the United States as fully upheld by its highest courts and administrative officials; and will lead to confusion and chaos in the administration of the Panama Canal enterprise.

(4) That the provisions of H. Con. Res. 459, Eighty-sixth Congress, are reiterated and reemphasized.

REPORT OF THE BOARD OF CONSULTING ENGINEERS FOR THE PANAMA CANAL

To the Senate and House of Representatives:

I submit herewith the letter of the Secretary of War transmitting the report of the Board of Consulting Engineers on the Panama Canal and the report of the Isthmian Canal Commission thereon, together with a letter written to the Chairman of the Isthmian Canal Commission by Chief Engineer Stevens. Both the Board of Consulting

Engineers and the Canal Commission divide in their report. The majority of the Board of Consulting Engineers, eight in number, including the five foreign engineers, favor a sea-level canal, and one member of the Canal Commission, Admiral Endicott, takes the same view. Five of the eight American members of the Board of Consulting Engineers and five members of the Isthmian Canal Commission favor the lock canal, and so does Chief Engineer Stevens. The Secretary of War recommends a lock canal pursuant to the recommendation of the minority of the Board of Consulting Engineers and of the majority of the Canal Commission. After careful study of the papers submitted and full and exhaustive consideration of the whole subject I concur in this recommendation.

It will be noticed that the American engineers on the Consulting Board and on the Commission by a more than 2 to 1 majority favor the lock canal, whereas the foreign engineers are a unit against it. I think this is partly to be explained by the fact that the great traffic canal of the Old World is the Suez Canal, a sea-level canal, whereas the great traffic canal of the New World is the Sault St. Marie Canal, a lock canal. Although the latter, the Soo, is closed to navigation during the winter months, it carries annually three times the traffic of the Suez Canal. In my judgment the very able argument of the majority or the Board of Consulting Engineers is vitiated by their failure to pay proper heed to the lessons taught by the construction and operation of the Soo Canal. It must be borne in mind, as the Commission points out, that there is no question of building what has been picturesquely termed "the Straits of Panama"; that is a waterway through which the largest vessels could go with safety at uninterrupted high speed. Both the sea-level canal and the proposed lock canal would be too narrow and shallow to be called with any truthfulness a strait, or to have any of the properties of a wide, deepwater strip. Both of them would be canals, pure and simple. Each type has certain disadvantages and certain advantages.

But, in my judgment, the disadvantages are fewer and the advantages very much greater in the case of a lock canal substantially as proposed in the papers forwarded herewith; and I call especial attention to the fact that the chief engineer, who will be mainly responsible for the success of this mighty engineering feat, and who has therefore a peculiar personal interest in judging aright, is emphatically and earnestly in favor of the lock canal project and against the sea-level project.

A careful study of the report seems to establish a strong probability that the following are the facts: The sea-level canal would be slightly less exposed to damage in the event of war, the running expenses, apart from the heavy cost of interest on the amount employed to build it, would be less, and for small ships the time of transit would probably be less. On the other hand, the lock canal at a level of 80 feet or thereabouts would not cost much more than half as much to build and could be built in about half the time, while there would be very much less risk connected with building it, and for large ships the transit would be quicker; while, taking into account the interest on the amount saved in building, the actual cost of maintenance would be less. After being built it would be easier to enlarge the lock canal than the sea-

level canal. Moreover, what has been actually demonstrated in making and operating the great lock canal, the Soo, a more important artery of traffic than the great sea-level canal, the Suez, goes to support the opinion of the minority of the Consulting Board of Engineers and of the majority of the Isthmian Canal Commission as of the superior safety, feasibility, and desirability of building a lock canal at Panama.

The law now on our statute books seems to contemplate a lock canal. In my judgment a lock canal, as herein recommended, is advisable. If the Congress directs that a sea-level canal be constructed its direction will, of course, be carried out. Otherwise the canal will be built on substantially the plan for a lock canal outlined by the accompanying papers, such changes being made, of course, as may be found actually necessary, including possibly the change recommended by the Secretary of War as to the site of the dam on the Pacific side.

THEODORE ROOSEVELT.

The WHITE HOUSE, *February 19, 1906.*

THE PANAMA CANAL PROBLEM—A MEMORANDUM TO THE MEMBERS OF THE CONGRESS, 1954

HONORABLE MEMBERS OF THE CONGRESS OF THE UNITED STATES: The undersigned, who in various capacities participated in the construction of the Panama Canal, venture to bring to your attention the matters hereinafter discussed:

1. The necessity for increased capacity and operational improvement of the Panama Canal—a much-neglected waterway, now approaching obsolescence—has been long recognized. The traffic volume is the highest since 1914. With the saturation point approaching, it is essential to provide, without further delay, the additional transit capacity and operational improvements required to meet future needs.

2. The two major proposals for increased facilities are:

- (a) Improvement of the existing canal by completing the authorized third locks project, adapted to include the features of the well-conceived terminal lake plan (Congressional Record, Apr. 21, 1948, p. A2449—approved in principle by the Governor of the Panama Canal in hearings on H.R. 4480, 79th Cong., Nov. 15, 1945, p. 9). A total of \$75 million was expended on this project, mainly on lock-site excavations at Gatun and Miraflores, before work on it was suspended. The terminal lake plan provides for removing all lock structures from Pedro Miguel and for regrouping of all Pacific locks at or near Miraflores, thus enabling uninterrupted navigation at the Gatun Lake level between the Atlantic and Pacific locks, with a greatly needed terminal lake anchorage at the Pacific end of the canal. As thus improved, the modified third locks project can be completed at relatively low cost—estimated under \$600 million. The soundness of this proposal has been established by 40 years of satisfactory operation of a similar arrangement at Gatun.

- (b) Construction of a practically new Panama Canal known as the sea-level project, initially estimated in 1947 to cost \$2,500 million, and which would be of less operational value than the

existing canal it was designed to replace, but which, under present conditions, would likely cost several times that amount. The Governor of the Panama Canal (a member of the Corps of Engineers) at that time definitely went on record as advocating none but the so-called sea-level project for the major increase of canal facilities, which action served to exclude what may be the best solution when evaluated from all angles. This report, under Public Law 280, 79th Congress, was transmitted to the Congress by the President, December 1, 1947, and, significantly, without comment or recommendation. The Congress took no action, and the report was not published.

3. The terminal-lake-third-locks project has been strongly urged as the proper form of modernization by experienced civilian engineers who took part in the construction of the present canal. They have spoken from personal knowledge of the original construction. Their views are shared by many independent engineers and navigators who have studied the subject. All these insist that the present lake-lock type should be preserved as supplying the best canal for the transit of vessels which it is economically feasible to construct. They, together with many of the leading atomic warfare authorities, stress the points that the defense of the canal is an all-inclusive Federal responsibility which must be met by active military and naval measures and by industrial planning in the United States, that passive protective features embodied in construction design are inadequate, and that the proper bases for planning canal improvements are capacity and navigational efficiency. Moreover, it must be borne in mind that the effective destructive power of the atomic bomb has been tremendously increased since the formal recommendation for a sea-level canal. Any canal, whatsoever the type, can be destroyed by atomic bombing, if permitted to strike.

4. The recent authorization to expend funds for repairs and alterations of present lock structures at an estimated cost of \$26,500,000 is, as we believe, makeshift in character, and is without real merit. Consummation thereof, in lieu of fundamental improvements, will inevitably delay the basic and long-overdue solution of the problems involved.

5. In addition to the Panama projects, there are urgent proposals for canals at other locations, some of which have strong support, particularly Nicaragua. In developing a long-range Isthmian Canal policy to meet future interoceanic transit needs, these should certainly receive full and unbiased consideration.

6. Transcending personal considerations, but nevertheless to state the matter candidly, we submit that the third locks project, as originally planned in 1939 by the Governor of the Panama Canal, has proven most disappointing. We have every reason to believe that the insistently advocated sea-level project (which, as a matter of fact, would require tidal locks as well as vulnerable flood control reservoirs and dikes) would prove to be a monumental boondoggle, costing the American taxpayer billions of dollars. Both of these efforts were directed by routine administrative agencies, and at heavy public expense.

7. We wish to stress the fact that, aside from the A-bomb, the recurrent discussions as to the relative advantages and disadvantages

of the lake-lock and sea-level types of canal were exhaustively investigated, debated, and considered in 1905-6 when the Congress and the President decided in favor of the lake-lock plan—under which the canal was constructed, and (with the exception of certain operational defects in the Pacific sector) has been successfully operated. The operational defects, we believe, can be adequately corrected.

8. It must be always borne in mind that the greater the cost of increased facilities at Panama the heavier will be the load on the already overwhelmingly burdened American taxpayer; and that also such cost must be reflected in ship-transit tolls, with all that increased tolls imply.

9. We respectfully urge the early enactment of H.R. 1048, 83d Congress, introduced by Representative Thomas E. Martin, of Iowa, and supported by Representative Clark W. Thompson, of Texas, who introduced a like measure in the 82d Congress. Both of these experienced and highly competent legislators have been thorough students of interoceanic canal problems, which have grave diplomatic implications affecting all maritime nations and the relations of the United States with all Latin American countries—especially Panama. As to Panama, we would most strongly emphasize that among the features overlooked in the report under Public Law 280, 79th Congress, is the fact that the sea-level project recommended in that report is not covered by existing canal treaties and would necessitate the negotiation of a new treaty with a tremendous indemnity and greatly increased annuity payments involved. As evidence of this it may be noted that upon demand of the Panamanian Government, and the appointment by it of a commission for the purpose, the U.S. Government has named a like commission, to negotiate various questions, including that of the present annuity of \$430,000 (originally \$250,000), which Panama insists should be substantially increased. These negotiations began in September 1953; when the President of Panama and members of the Panamanian Commission visited Washington in behalf of the indicated demands.

10. References to the Governor of the Panama Canal herein apply to the incumbent Governor at the time of the stated action.

CONCLUSION

Because of these considerations, it would seem to be clear that the indicated Commission should be created without delay, and put to work, so as to develop a timely, definite, and wisely reasoned Isthmian Canal policy. Such a body should be made up of unbiased, broad-gaged, and independent men of the wisest engineering, operational,

governmental, and business experience, and not of persons from routine agencies, all too often involved in justifying their own groups.

Respectfully submitted:

James T. B. Bowles, Baltimore, Md.; Ralph Budd, Chicago, Ill.; Howard T. Critchlow, Trenton, N.J.; Roy W. Hebard, New York, N.Y.; Herbert D. Hinman, Newport News, Va.; William R. McCann, Hopewell, Va.; E. Sydney Randolph, Baton Rouge, La.; Hartley Rowe, Boston, Mass.; William E. Russell, New York, N.Y.; Caleb Mills Saville, Hartford, Conn.; John Frank Stevens, Brooklyn, N.Y.; Ellis D. Stillwell, Monrovia, Calif.; William G. B. Thompson, New Haven, Conn.; Robert E. Wood, Lake Forest, Ill.; Daniel E. Wright, St. Petersburg, Fla.

THE PETITIONERS

James T. B. Bowles, chemical engineer; in charge water supplies, superintendent filtration plants, Canal Zone, 1910-14; lieutenant colonel, Corps of Engineers, AEF; director, secretary, and technologist of Crown Petroleum Corp.

Ralph Budd, civil engineer; chief engineer, Panama Railroad, 1906-09; president, Great Northern Railway; transportation commissioner. The Advisory Commission to the Council of National Defense; president, Burlington Railroad; now chairman of Chicago Transit Authority.

Howard T. Critchlow, civil and hydraulic engineer; district and chief hydrographer, Panama Canal, 1910-14; New Jersey Department of Conservation and Economic Development on Water Supply, Construction of Dams, and Flood Control; past president, American Water Works Association; now director and chief engineer, Division Water Policy and Supply of New Jersey.

Roy W. Hebard, assistant engineer, resident engineer, and contractor, Panama Canal, 1905-11; major, Corps of Engineers, AEF; president, R. W. Hebard & Co., Inc., builders of highways, railroads, waterworks, and divers structures throughout Central and South America.

Herbert D. Hinman, construction engineer whose first job for the Pacific division in 1907 was boring to find rock for the locks; assistant engineer in charge construction of the Pedro Miguel locks, and later in the building of the fortifications on the Pacific side; president of Virginia Engineering Corp., engaged in divers heavy construction in Virginia and the Southeastern States.

William R. McCann, assistant engineer and supervisor of construction, first division, Panama Canal, 1907-14; engineer, Stone & Webster, Inc.; engineer, Allied Chemical & Dye Corp.; project manager, Buckeye Ordnance Works; now consulting engineer.

E. Sydney Randolph, civil engineer, Panama Canal service, 1910-46; office engineer, designing engineer, construction engineer, principal engineer, and consulting engineer, handling various projects such as technical supervision of maintenance and lock improvement, Madden Dam and power project, exploration and investigations for additional locks, defense structures, emergency gates, increased spillway capacity, and augmented power facilities; now consulting engineer.

Hartley Rowe, electrical and construction engineer, various divisions, Panama Canal, 1905-15; engineering and construction, Lockwood, Greene, & Co.; member of General Advisory Committee, Atomic Energy Commission; chief engineer, United Fruit Co.; now vice president thereof.

William E. Russell, Panama Canal service, 1905-09, under all three chief engineers attached to office of superintending architect, and engaged in building construction; attorney, New York City; chairman of the board of several magazines in which he has controlling interests; headed committee for reevaluation of housing in New York State; has been lifelong student of Panama Canal affairs, and of the treaties pertaining thereto.

Caleb M. Saville, hydraulic engineer; in charge third division Panama Canal, 1907-11, investigating foundations for Gatun Dam, flow-through spillway, and Charges River hydrology; manager and chief engineer, Hartford Metropolitan District; now consulting engineer thereto.

John Frank Stevens, life student of Panama Canal problems; son of first chairman and chief engineer, Isthmian Canal Commission, who planned the construction organization and plant, and was largely responsible for the adoption of the lock-lake type of waterway.

Ellis D. Stillwell, electrical engineer; served on Panama Canal, 1912-49, assistant superintendent Gatun Locks, superintendent Gatun Locks, and superintendent Locks Division in charge of lock operations and transits, and responsible for lock maintenance and biennial overhauling.

William G. B. Thompson, civil engineer; Panama Canal service 1905-16 supervising, among other assignments, construction of Balboa Terminal; State highway engineer of New Jersey; vice president and chief engineer, Gandy Bridge Co., St. Petersburg, Fla.; with Allied Chemical & Dye Corp. as superintendent of construction and as project manager Kentucky Ordnance Works; now consulting engineer.

Robert E. Wood, assistant quartermaster, chief quartermaster, and director Panama Railroad, 1907-14; brigadier-general, U.S. Army (retired), and later acting, quartermaster general; president, Sears, Roebuck & Co.; now chairman of the board thereof.

Daniel E. Wright, civil engineer; Panama Canal service, 1904-18 as municipal and sanitary engineer, central division, extended subsequently to all divisions and to Panama City and Colon; contracting and consulting in Central and South America; with Rockefeller Foundation and U.S. Public Health Service as sanitary expert on various commissions to Middle East, Greece, France, Burma, China, India, Egypt, and elsewhere; captain, U.S. Army, World War I; colonel, U.S. Army, World War II.

H.R. 3858

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Inter-oceanic Canals Commission Act of 1963".

SEC. 2. (a) A commission is hereby created, to be known as the "Interoceanic Canals Commission" (hereinafter referred to as the "Commission"), and to be composed of eleven members to be appointed by the President, by and with the advice and consent of the Senate, as follows: One member shall be a commissioned officer of the line (active or retired) of the United States Army; one member shall be a commissioned officer of the line (active or retired) of the United States Navy; one member shall be a commissioned officer of the line (active or retired) of the United States Air Force; and eight members from civil life, four of whom shall be persons learned and skilled in the science of engineering. The President shall designate one of the members from civil life as Chairman, and shall fill all vacancies on the Commission in the same manner as are made the original appointments. The Commission shall cease to exist upon the completion of its work hereunder.

(b) The Chairman of the Commission shall receive compensation at the rate of \$25,000 per annum, and the other members shall receive compensation at the rate of \$22,500 per annum, each; but the members appointed from the Army, Navy, and Air Force shall receive only such compensation, in addition to their pay and allowances, as will make their total compensation from the United States \$22,500 each.

SEC. 3. The Commission is authorized and directed to make and conduct a comprehensive investigation and study of all problems involved or arising in connection with plans or proposals for—

(a) an increase in the capacity and operational efficiency of the present Panama Canal through the adaptation of the Third Locks Project (53 Stat. 1409) to provide a summit-level terminal lake anchorage in the Pacific end of the canal to correspond with that in the Atlantic end, or by other modification or design of the existing facilities;

(b) the construction of a new Panama Canal of sea-level design, or any modification thereof;

(c) the construction and ownership, by the United States, of another canal or canals connecting the Atlantic and Pacific Oceans;

(d) the operation, maintenance, and protection of the Panama Canal, and of any other canal or canals which may be recommended by the Commission;

(e) treaty and territorial rights which may be deemed essential hereunder; and

(f) estimates of the respective costs of the undertakings herein enumerated.

SEC. 4. For the purpose of conducting all inquiries and investigations deemed necessary by the Commission in carrying out the provisions of this Act, the Commission is authorized to utilize any official reports, documents, data, and papers in the possession of the United States Government and its officials; and the Commission is given power to designate and authorize any member, or other officer, of the Commission, to administer oaths and affirmations, subpoena witnesses, take evidence, procure information and data, and require the production of any books, papers, or other documents and records which the Commission may deem relevant or material for the purposes herein named. Such attendance of witnesses, and the production of documentary evidence, may be required from any place in the United States, or any territory, or any other area under the control or jurisdiction of the United States, including the Canal Zone.

SEC. 5. The Commission shall submit to the President and the Congress, not later than two years after the date of the enactment hereof, a final report containing the results and conclusions of its investigations and studies hereunder, with recommendations; and may, in its discretion, submit interim reports to the President and the Congress concerning the progress of its work. Such final report shall contain—

(a) the recommendations of the Commission with respect to the Panama Canal, and to any new interoceanic canal or canals which the Commission may consider feasible or desirable for the United States to construct, own, maintain, and operate;

(b) the estimates of the Commission as regards the approximate cost of carrying out its recommendations; and like estimates of cost as to the respec-

tive proposals and plans considered by the Commission and embraced in its final report; and

(c) such information as the Commission may have been able to obtain with respect to the necessity for the acquisition, by the United States, of new, or additional, rights, privileges, and concessions, by means of treaties or agreements with foreign nations, before there may be made the execution of any plans or projects recommended by the Commission.

SEC. 6. The Commission shall appoint a secretary, who shall receive compensation fixed in accordance with the Classification Act of 1949, as amended, and shall serve at the pleasure of the Commission.

SEC. 7. The Commission is hereby authorized to appoint and fix the compensation of such engineers, surveyors, experts, or advisers deemed by the Commission necessary hereunder, as limited by the provisions in title 5, United States Code, section 55a (1946 edition); and may make such expenditures—including those for actual travel and subsistence of members of the Commission and its employees—not exceeding \$13 for subsistence expense for any one person for any calendar day; for rent of quarters at the seat of government, or elsewhere; for personal services at the seat of government, or elsewhere; and for printing and binding necessary for the efficient and adequate functions of the Commission hereunder. All expenses of the Commission shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the Chairman of the Commission, or such other official of the Commission as the Commission may designate.

SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions and purposes of this Act.

[From the Congressional Record, 88th Cong., 2d sess., Apr. 7, 1964]

PANAMA CANAL ZONE: MOST COSTLY U.S. TERRITORIAL POSSESSION

Mr. FLOOD. Mr. Speaker, among the questions frequently raised incident to current discussions over the Panama Canal are the juridical status of the United States in the Canal Zone and the cost of its acquisition.

The sovereignty of the Canal Zone and the title to the Panama Canal were covered at length in my address in the Record of March 9. In broad terms, the zone may be described as an extension of the territory of the United States subject to the laws of our country.

In addition to obtaining the grant of sovereignty over the Canal Zone from Panama, the United States acquired title to all land and property in the zone through purchase from individual owners.

To enable realistic comparisons with the costs of other territorial purchases and acquisitions, I shall list the major ones:

Date and Territory :	Cost
Year 1803—Louisiana Purchase.....	\$15,000,000
Year 1821—Florida Purchase.....	6,674,057
Year 1848—Mexican Cession, including California.....	15,000,000
Year 1853—Gadsden Purchase.....	10,000,000
Year 1867—Alaska Purchase.....	7,200,000
Year 1904—Canal Zone.....	

On my request, the Department of the Army, on March 31, 1964, reported that the total cost of acquiring the Canal Zone is now over \$144,568,571. In this light, the Panama Canal Zone is the most costly territorial extension ever acquired by the United States. No wonder President Theodore Roosevelt likened it as comparing in importance with the Louisiana Purchase.

The indicated \$144,568,571, of course, does not include the costs of constructing the Panama Canal and the various canal and defense installations in the zone, which are enormous and total billions. To even discuss the idea of retrocession to Panama of the Canal Zone with all the vast investment that it represents is like suggesting negotiations for the return of the Louisiana Purchase and the vast investment in it to France.

The indicated exchange of letters follows:

HOUSE OF REPRESENTATIVES.

March 23, 1964.

HON. STEPHEN AILES,
Secretary of the Army,
The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: The records of the Congress indicate that in addition to the purchase of sovereignty over the Canal Zone by Pan-

ama, which was indemnified for this grant, the United States acquired title to all the land and property in the Canal Zone, including the holdings of the New Panama Canal Co. of France and the Panama Railroad, from individual owners.

In order that the Congress may be accurately informed as to the total cost of acquiring the Canal Zone and its auxiliary areas full information in tabular form is desired.

An early reply is respectfully requested.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

DEPARTMENT OF THE ARMY,
OFFICE OF THE UNDER SECRETARY,
Washington, D.C., March 31, 1964.

DEAR MR. FLOOD: In reply to your request in your letter of March 23, the following is a tabulation of the cost of acquisition of the Canal Zone as reflected in the accounts of the Panama Canal Company:

Republic of Panama:	
Original payment, 1904 (1903 treaty)-----	\$10,000,000
Annuity, 1913-63 (1903, 1936, and 1955 treaties)-----	30,150,000
Property transfers:	
Property in Panama City and Colon, 1943-----	11,759,956
Water system in Panama City and Colon (unamortized cost)-----	669,226
1955 treaty transfers-----	22,260,500
Colombia (1922)-----	25,000,000
Compagnie Nouvelle du Canal de Panama (1904)-----	40,000,000
Private titles, stock, and claims-----	4,728,889
Total-----	144,568,571

The assets acquired from the New French Canal Company included 68,887 shares of the stock of the Panama Railroad Company. The remaining 1,013 shares were acquired from individual owners for about \$150,000 included in the item "Private titles, stock, and claims."

Sincerely,

HARRY C. MCPHERSON, JR.,
Deputy Under Secretary of Army (IA).

[From the Congressional Record, 88th Cong., 2d sess., Apr. 14, 1964]

PANAMA CANAL CRISIS: IRRESPONSIBLE JOURNALISM

Mr. FLOOD. Mr. Speaker, over the past few years, I have devoted much of my time in studying interoceanic canal problems. In an effort to alert the people of our country to the dangers of the Caribbean, in which area the Panama Canal is the key target, I have addressed this body on various aspects of the subject and suggested formulas for future policy.

My addresses have been widely quoted in small newspapers over the Nation; among periodicals of civic, fraternal, and patriotic organizations; and abroad, including the papers of Panama. With rare exceptions, the mass news media of the United States, especially in the Nation's Capital, has avoided reporting the facts and proposals developed in my addresses, especially those concerning the Panama Canal.

In contrast with this denial of information on the vital canal subject, the same mass news media has featured the views of "experts," who have made recommendations that many of our best informed citizens, in and out of the Congress, consider to be against the highest interests of the United States and as grossly unfair.

The Washington Post, in its editorial and journalistic columns, is always urging magnanimity on the part of the United States in dealing with "little Panama" but never presents realistically the necessity for adequate authority and sovereignty of the United States to do the job required, namely that of efficiently maintaining, operating, and defending the canal for the benefit of world shipping. Such authority and sovereignty was granted under the 1903 treaty and it is clear that the United States could not have built the canal nor could our country have maintained, operated, and defended it with less power than was granted by that treaty. I know of no instance where it was ever discussed or even considered the fact that the United States must have adequate authority to perform the vital tasks with respect to the canal and how it could be done with less authority than was accorded by the 1903 treaty.

If these critics believe that the United States can perform its duty in the premises with less power than it has thus exercised, let these critics say how much less. Surely at this moment when Cuba has become a western bastion of communistic revolutionary power and the most serious Red infiltration has taken place in Panama, any dilution of U.S. authority over the Canal Zone would be suicidal to all the Western Hemisphere, with the destruction of Panama itself.

The first consideration which the agents of the United States and Panama should have in mind is this matter of adequate authority of the United States to do the job required. Everything else is subordinate thereto.

Four days after President Johnson made his forthright remarks on March 16, 1964, before the Organization of American States, in which he bluntly refused to submit to demands of Panamanian political blackmailers to agree to renegotiate the 1903 Panama Canal Treaty, the Washington Post published a leading editorial condemning "that treaty."

This induced me to write the editor at length, explaining how the Washington Post editorial was deceptive and misleading. On April 9, the Post published excerpts of my letter, leaving out many essential points that should be known to our people.

While the editors of the Washington Post may assert that my letter was too long for publication of its full text, I do not accept this as a valid explanation. The magnitude of the Panama Canal question merits the fullest possible presentation of all significant facts and not their suppression.

In order that the Congress and the Nation may have full information in the premises, I quote the indicated editorial, my letter to the editor of the Washington Post, and the abridged version of it as published by the Post.

[From the Washington (D.C.) Post, Mar. 20, 1964]

THAT TREATY

We have come a long way from the time when Theodore Roosevelt called citizens of Colombia, in private letters, such endearing epithets as "jackrabbits," "contemptible little creatures," and "foolish and homicidal corruptionists." But North Americans at times still show a fatal incapacity for viewing a dispute through the eyes of the other fellow. An instance is much of the current public discussion of the Hay-Bunau-Varilla Treaty of 1903, which made possible the creation of the Panama Canal.

Who, for example, was Philippe Bunau-Varilla, the man who signed the treaty for Panama? This shadowy personage, who was as much the "father" of the canal as Theodore Roosevelt himself, was not a Panamanian at all. He was a French agent who had a keen interest in obtaining \$40 million from the United States to buy out shares of a bankrupt French company that had tried, and failed, to build the Isthmian Canal.

In the fall of 1903, Mr. Bunau-Varilla was ensconced in room 1162 of the Waldorf Astoria in New York—the suite which he later said "deserves to be considered as the cradle of the Panama Republic." At that time, President Roosevelt was sputtering with fury over Colombia's rejection of a U.S.-drafted treaty providing for a canal in the Province of Panama.

On October 14, one Dr. Manuel Amador visited the Waldorf enclave, and was handed a draft of a constitution, a pledge of \$100,000 and a proclamation of independence for a revolution to be carried out on November 3, election day in the United States. "Nothing remains but to make the model of the flag," said Mr. Bunau-Varilla as he guided Dr. Amador (later President of Panama) out of the room. "I am going tomorrow to join my family * * * I shall find * * * the agile and discreet fingers that will make a new flag."

In November, the Panamanian revolt took place, and Dr. Amador was able to proclaim: "Yesterday we were but the slaves of Colombia; today we are free * * * President Roosevelt has made good * * *. Free sons of Panama, I salute you." And certainly Theodore Roosevelt did make good to the extent of giving instant recognition and naval support to the new Republic. But Panama paid a price; a French lobbyist signed a treaty in the name of the infant Republic on terms far more disadvantageous than the treaty signed by Colombia.

The United States, under the Hay-Bunau-Varilla Treaty of 1903, received rights in perpetuity to act as if it were sovereign in a 10-mile strip of Panama. The Colombian draft treaty provided for a 100-year grant with an option for renewal, for a 6-mile-wide strip, and for a payment of \$10 million in gold. Panama, too, received a gold payment—but this was offset by a \$40 million paid to Mr. Bunau-Varilla's clients and by specific clauses in the treaty that virtually made Panama a protectorate of the United States.

From the moment the treaty of 1903 was inflicted on Panama, agitation began for modification of its terms. Twice—in 1936 and 1955—the treaty has been modified, and Panama is again seeking substantial but not unreasonable changes in a treaty so one-sided that even Theodore Roosevelt would not have dared propose the same terms to Colombia.

For his part, Theodore Roosevelt said on March 23, 1911, in a speech at the University of California, "If I had followed conventional, conservative methods, I should have submitted a dignified state paper of approximately 200 pages to the Congress and the debate would have been going on yet, but I took the Canal Zone and let Congress debate, and while the debate goes on the canal does also."

That remark cost the United States \$25 million, voted as indemnification to Colombia in 1921. In intangibles, Roosevelt's diplomacy cost this country far, far more. We are still paying the price today. President Johnson would do well to tell his countrymen some of these uncomfortable truths that lie behind our troubles with Panama.

PANAMA CANAL CRISIS: IRRESPONSIBLE JOURNALISM

MARCH 23, 1964.

THE EDITOR, THE WASHINGTON POST,
Washington, D.C.

DEAR MR. EDITOR: The leading editorial in the March 20, 1964, Washington Post on "That Treaty" is truly shocking, not for what it states but for what it fails to relate about a subject of the highest importance to the entire world—the Panama Canal.

Deceptive, misleading, and inaccurate, the editorial is obviously designed to create a sense of guilt on the part of the people of the United States for their mighty achievement in constructing one of the greatest works of man at vast cost; and which propagandists in our midst would like to see liquidated without a cent of reimbursement to our people.

Significantly, the publication of the editorial followed closely after President Johnson's forthright and courageous remarks before the

Organization of American States on March 16, in which he refused to accept the shotgun approach of the Panamanian Government in attempting to wring an agreement from the President of the United States to renegotiate the 1903 Panama Canal Treaty as the price for resumption of diplomatic relations with the United States. Serving to undermine U.S. sovereignty and jurisdiction over the Canal Zone and Panama Canal, the editorial plays into the hands of Communist revolutionary strategists, among whom the internationalization of the canal has been a prime objective since the 1917 Red takeover of the Russian Government.

In spite of its clever camouflage of altruism, the editorial reflects a wanton disregard of, as well as gross ignorance or indifference to specific problems involved in the maintenance, operation, sanitation, and protection of the Canal Zone and Panama Canal. Moreover, it completely ignores the lessons of history, including recent experience in defending the Canal Zone against Red infiltrated and directed Panamanian mob attacks, and indirectly supports the program of certain elements in, and on the fringes of, our Government who have collaborated with Panamanian radicals in the piecemeal erosion of U.S. rights, power, and authority. It serves to portray the eminent statesmen who formulated basic Panama Canal policy as helpless puppets of the French engineer who was the first Minister of Panama to the United States. Among those leaders thus belittled were Secretary of State John Hay; Rear Adm. John G. Walker, president of the Isthmian Canal Commission, 1899-1902; John Bassett Moore; and President Theodore Roosevelt.

The people of the United States are far ahead of the editorialists of the Washington Post in comprehending the significance of the current crisis at Panama and are not going to be fooled by such journalistic tactics as those used by the Washington Post in the subject editorial. The citizens of our country and the Congress will back President Johnson to the limit, if he stands firm for our just and indispensable sovereign rights and authority in the Canal Zone.

Specifically, the editorial is deceptive and misleading for the following reasons:

1. Fails to disclose that the Isthmus of Panama has always been, and still is, a land of endless bloody revolution.
2. Does not mention that the United States has treaty obligations with respect to the operation of the Panama Canal with Great Britain and Colombia, as well as with Panama; and, in fact, the entire world.
3. Ignores the realistic fact that important provisions in the 1903 treaty as to sovereignty, perpetuity, and Canal Zone width, are rooted in the 1902 recommendations of the Isthmian Canal Commission headed by Admiral Walker.
4. Fails to mention the truism that where there is responsibility such as that involved in governing the Canal Zone and in operating the Panama Canal there must be adequate authority as provided in the 1903 treaty and that the canal enterprise cannot survive under two masters nor with any less authority than that treaty provided.
5. Exaggerates inconsequential details to create a sense of guilt based on fragmentary evidence but fails to present the enormous

benefits that Panama has received from the Canal Zone. The latter includes \$82,465,000, annually, in addition to the \$1,930,000 annuity and many other benefits. Among the last are economic assistance from the Agency for International Development, the International Bank for Reconstruction and Development, the Inter-American Bank, and U.S. direct private investments. All of these vast benefits are ignored by the Panamanian Government and the radical politicians of Panama; also by Panamanian Castroites, the Washington Post, other journals, and commentators in our midst, who doubtless realize that if these benefits are publicized the charge of ill treatment of Panama by the United States goes out the window.

6. Does not show that Panama was not a partner in the construction of the canal, is not a partner now, and has never been anything but its greatest beneficiary; nor does it show that Panama has no responsibility whatsoever for the maintenance, operation, and protection of the canal.

7. Attempts to degrade the 1903 Canal Convention as "that treaty" and, by implication, as being responsible for the January 1964 lawlessness and disorder.

8. Fails to relate the strong support and approval of the 1903 treaty given it by such able statesmen as Secretaries Hay and Hughes and President Taft.

9. Ignores the fact that the Canal Zone is an extension of U.S. territory and law pursuant to treaty and statute, in every way a part of the constitutionally acquired domain of the United States.

10. Hides the fact that, in addition to obtaining sovereignty over the Canal Zone by purchase from Panama, the United States acquired the ownership of all land and property in the Canal Zone by purchase from individual owners, including the holdings of the New Panama Canal Co. of France and the Panama Railroad; also that this title was recognized as "vested entirely and absolutely" in the United States by Colombia, the sovereign of the isthmus prior to November 3, 1930.

11. Ignores the fact that the Isthmian Canal would have been constructed at Nicaragua instead of Panama except for the favorable inducements offered by Panama in the 1903 treaty.

12. Treats the entire Panama Canal problem as if it were of no more importance than that of a site for a supermarket or a filling station.

13. It overlooks the realistic fact that, were it not for the presence of the United States in the Canal Zone, Panama itself could not endure as an independent state.

14. Disregards the fact that Panama gained its independence from Colombia solely because of the great movement for an Isthmian Canal and President Theodore Roosevelt's farsighted vision and fearless initiative.

15. Advocates a policy that would reduce the authority of the United States in the Canal Zone and increase that of Panama—a country that, for some reason, is unable or unwilling to collect garbage from the streets of Panama City and Colon, a duty previously discharged efficiently by the Canal Zone Government. Moreover, the Panama Government, during the January 1964 riots, actually prohibited the use of the National Guard to quell mob violence against the Canal Zone and United States citizens.

16. Disregards the fact that the Panama Canal, under adequate control of the United States, is a major factor in preventing conquest of all Latin America by communistic revolutionary power; witness, Cuba, British Guiana and Venezuela, covering both flanks of the Atlantic approaches to the canal.

It has been said that when statesmen are lacking in vision the people perish. The same is true when the news media is lacking in vision and integrity.

President Johnson's call on March 21 for a prompt settlement of the Panama crisis in the interest of all the American nations makes imperative that the editors of the Washington Post undertake to present and evaluate full information on Panama Canal problems, and to desist from presenting segments out of context.

Sincerely yours,

DANIEL J. FLOOD,
Members of Congress.

[From the Washington (D.C.) Post, Apr. 9, 1964]

IRRESPONSIBLE JOURNALISM

The leading editorial on March 20 is truly shocking, not for what it states but for what it fails to relate about a subject of the highest importance to the entire world—the Panama Canal.

Deceptive, misleading and inaccurate, the editorial is obviously designed to create a sense of guilt on the part of the people of the United States for their mighty achievement in constructing one of the greatest works of man at vast cost, and which propagandists in our midst would like to see liquidated without a cent of reimbursement to our people.

Significantly, the publication of the editorial followed closely after President Johnson's forthright and courageous remarks before the Organization of America States on March 16, in which he refused to accept the shotgun approach of the Panamanian Government in attempting to wring an agreement from the President of the United States to renegotiate the 1903 Panama Canal Treaty as the price for resumption of diplomatic relations with the United States.

Serving to undermine U.S. sovereignty and jurisdiction over the Canal Zone and Panama Canal, the editorial plays into the hands of Communist revolutionary strategists, among whom the internationalization of the canal has been a prime objective since the 1917 Red take-over of the Russian Government.

In spite of its clever camouflage of altruism the editorial reflects a wanton disregard of, as well as gross ignorance or indifference to, specific problems involved in the maintenance, operation, sanitation, and protection of the Canal Zone and Panama Canal. Moreover, it completely ignores the lessons of history, including recent experience in defending the Canal Zone against Red-infiltrated and directed Panamanian mob attacks, and indirectly supports the program of certain elements in, and on the fringes of, our Government who have collaborated with Panamanian radicals in the piecemeal erosion of the U.S. rights, power, and authority.

It serves to portray the eminent statesmen who formulated basic Panama Canal policy as helpless puppets of the French engineer who was the first Minister of Panama to the United States.

The people of the United States are far ahead of the Washington Post in comprehending the significance of the current crisis in Panama and are not going to be fooled by such journalistic tactics as those used in the subject editorial. The citizens of our country and the Congress will back President Johnson to the limit, if he stands firm for our just and indispensable sovereign rights and authority in the Canal Zone.

DANIEL J. FLOOD,

Representative, 11th District, Pennsylvania.

WASHINGTON.

[From the Congressional Record, 88th Cong., 2d sess., Apr. 20, 1964]

PANAMA CANAL ZONE: HIGHWAY CONTROL ESSENTIAL FOR PROTECTION

(Mr. Flood (at the request of Mr. Charles H. Wilson) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FLOOD. Mr. Speaker, following the bloody anti-U.S. outbreak in Panama on January 9-11, 1964, and the attendant mob assaults on the Canal Zone requiring the United States to defend the lives of our citizens in the zone and the Panama Canal itself, much was published in the papers of our country about this lawlessness and disorder. Despite the magnitude of the press coverage, many significant features of that violence and the protective measures taken by the U.S. Army were either overlooked, distorted or otherwise obscured.

Among Panamanian allegations against the United States, as published in the Spanish language press of Panama, were charges of unwarranted closings of the Panamanian corridor to Colon and the Thatcher Ferry Bridge at Balboa. On learning about these charges, I requested the Secretary of the Army to supply me the significant facts and I have received a comprehensive summary of what occurred.

A reading of this report emphasizes the importance of the undisputed control of all roads and avenues of transport across the Canal Zone, shows that all steps taken to control these lines of communications during the January violence were essential, and establishes that all such measures were taken in accordance with treaty provisions. No treaty provision or law was violated.

Mr. Speaker, it is now clearer than ever that had those preventive measures not been taken, the lives of our citizens in the zone would have been imperiled and vital canal structures endangered. Moreover, the facts, as now developed, should end all discussions for the transfer of jurisdiction over any corridors or bridges in the Canal Zone to Panama as has been, and is still being, demanded by Panamanian radicals and politicians dominated by them. Instead of acceding to such demands for Panamanian corridors across the zone, our Government should demand the extension of the Canal Zone to include the entire watershed of the Chagres River to supply added protection to the zone as well as to safeguard the summit level water supply. The latter recommendation, I have been recently advised by the Secretary of the Army, was first made in 1916 by Gen. Clarence R. Edwards, when in command of the U.S. Army in the Canal Zone.

In addition to such extension of the Canal Zone territory, the January 1964 mob assaults on the Canal Zone and the prolonged failure of Panama to collect garbage from the streets of the terminal cities of Panama and Colon emphasize the need to restore the provisions in article VII of the 1903 treaty granting to the United States the right

and authority to enforce sanitary ordinances and to maintain public order in these two cities and other areas adjacent to the zone in case the Republic of Panama should not be, in the judgment of the United States, able to perform these functions.

In order that the Congress, especially members and staffs of cognizant appropriation, investigational, and legislative committees, jurisdictional agencies in the executive branch, and all others concerned with Panama Canal problems may be informed in the premises, I include the indicated exchange of letters as part of my remarks:

MARCH 18, 1964.

HON. STEPHEN AILES,
*Secretary of the Army, Department of the Army, The Pentagon,
Washington, D.C.*

DEAR MR. SECRETARY: The Spanish-language press of Panama, *El Dia*, of March 6, 1964, indicates that the corridor across the Canal Zone from Panama to the city of Colon was closed during the January 1964 mob assault on the zone; also the Thatcher Ferry Bridge.

Specific information in these regards with dates and any special circumstances that you deem pertinent are desired.

An early reply is respectfully requested.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

APRIL 6, 1964.

HON. DANIEL J. FLOOD,
*House of Representatives,
Washington, D.C.*

DEAR MR. FLOOD: This is in response to your letter of March 18 to the Secretary of the Army concerning Panamanian allegations that the United States closed the Colon corridor and the Thatcher Ferry Bridge during the January riots.

On January 10 and 11, 1964, during the course of the January rioting, the security of the lives of those upon whom operation of the canal depends and the security of the property of the canal itself required the United States to operate temporary traffic checkpoints at two places in the Colon corridor. In each case the U.S. Army placed a movable barricade across the width of the Transisthmian Highway within the Colon corridor to insure that persons intent upon lawlessness did not enter the Canal Zone. At no time was peaceful traffic forbidden on the corridor or on the highway adjacent to the corridor.

The two checkpoints established by the United States on the Colon corridor occupied only a few meters of its 4-mile length. In no sense did these two checkpoints, which never prevented peaceful traffic from using the corridor, constitute an "occupation" of the corridor by the United States.

In early December 1963, the Panamanian Government had closed the section of the corridor in question to vehicular traffic to facilitate highway repair. The Panamanian Government had erected barricades of barrels and boards at both the Colon end of the corridor and at the point Randolph Road crosses the corridor. The Government

of Panama did not remove these barricades or open this part of the corridor until the United States removed its last checkpoint from the corridor on the afternoon of January 11 (one checkpoint was removed at 2:15 p.m. on the 11th; the other at 2:25 p.m.). Therefore, at no time while the United States maintained its two checkpoints on the Colon corridor was there any vehicular traffic on the corridor between Colon and Randolph Road.

Because the Government of Panama had closed the Colon corridor between Colon and Randolph Road, all vehicular traffic, from December until January 11, bound to or from Colon used Bolivar Highway in the Canal Zone, upon which the first U.S. checkpoint was established in the Canal Zone on January 9 at 9:35 p.m.

On the first night of rioting, January 9, the U.S. forces established a checkpoint within the Canal Zone on Bolivar Highway, a principal traffic artery serving Colon, to prevent the rioters, who were assaulting the downtown Cristobal area with fire bombs, rocks, and sniper fire, from entering the Canal Zone and circling behind the Cristobal area, thus approaching the rear of the forces defending Cristobal or from menacing the Rainbow City housing area within the Canal Zone. However, Panamanians were soon observed walking along the Colon corridor adjacent to this checkpoint on Bolivar Highway and then circling behind the checkpoint, thus circumventing the checkpoint and posing the very hazard to life and property within the zone the checkpoint had been intended to prevent. For that reason the local commander of the U.S. Forces, Lieutenant Colonel Sachse, asked the Canal Zone police to contact the local commander of the Panamanian National Guard, Major Rodriguez, and ask that he establish a checkpoint on the Colon border. However, Major Rodriguez declined to do so. Therefore, to protect the canal and as a matter of self-defense, U.S. Forces established a checkpoint in the corridor at 5:30 a.m., January 10, and controlled pedestrian traffic at this point in the Colon corridor for the next day and one-half.

Since the Panamanian-constructed barricade was already effectively halting vehicular traffic, the new checkpoint was utilized to control only the movement of pedestrians. No pedestrians were denied passage through the corridor at this checkpoint. This checkpoint was discontinued at 2:25 p.m. on January 11. Shortly thereafter Panamanian National Guardsmen removed the barrel blockade erected by the Panamanian Government in December, established a checkpoint where the United States had maintained one, and there performed essentially the same screening function the U.S. checkpoint had undertaken.

On the morning and afternoon of January 11, a group of Panamanian rioters harassed traffic, searched pedestrians, and confiscated identification cards from them in Canal Zone territory, approximately 100 yards in front of the U.S. checkpoint. This unofficial Panamanian checkpoint denied passage to many vehicles and pedestrians.

The commander of U.S. forces in the area, Colonel Sachse, called this rump blockade to the attention of the Colon authorities, but they declined to act. Colonel Sachse himself did not order U.S. forces to eject the Panamanian blockade, since to do so would have risked injuries to both sides, but would not have remedied the blockage situation, since the blockaders could have merely retreated to Colon and reestablished the blockade there.

In the second instance of U.S. control of traffic within the corridor, U.S. forces established a checkpoint in the Colon corridor commanding the intersection of Randolph Road and the Boyd-Roosevelt Highway. This traffic control lasted from January 10 at 6 a.m. until January 11 at 2:15 p.m.

When circumstances permitted, this checkpoint was moved to points on Randolph Road in Canal Zone territory. Traffic control was again exercised in the same fashion as in the case of the other two checkpoints near Colon.

With the exception of a group of 15 rioters (one of whom was firing a rifle) who attacked the checkpoint, no pedestrian or vehicular traffic was denied passage through this checkpoint.

While the U.S. checkpoints were in operation where there was vehicular traffic, such traffic was momentarily stopped and cars were inspected, but only drivers who had ammunition or weapons or lacked any identification, issued either by the Panamanian or Canal Zone Governments, were denied passage. Inspectors merely looked into vehicles and examined trunk compartments. Automobile passengers were not searched or required to dismount except in two instances in which firearms were discovered in vehicles. No cargo-carrying vehicles or trucks of any description were denied passage at any time. Cars bearing official government license plates of the Republic of Panama were not stopped or inspected. Panamanian emergency vehicles using red lights or sirens were permitted free access without being required to stop at all.

At no time during the rioting can it be said that the Colon corridor or any other highway into Colon was closed by U.S. action. The segment of the Colon corridor between Colon and Randolph Road had been closed to vehicular traffic by the Panamanian Government for a month previous to the riots. The rump blockade of Bolivar Highway by Panamanians sometimes closed that artery into Colon temporarily.

U.S. checkpoints detained only two cars, in both of which were found weapons, and rejected only a handful of pedestrians (for want of any identification papers or for attacking the checkpoint) at any time the United States maintained its checkpoints.

Commercial and emergency traffic into Colon during the entire period in which the United States maintained its checkpoints was absolutely uninhibited by the inspection at the checkpoints.

The checkpoints were removed from the corridor when the danger of infiltration by rioters into the Canal Zone abated.

Aside from the rights of transit across and travel upon the Colon corridor which the United States retained in article VIII of the 1936 treaty, the United States also has the right to take whatever action in the corridor is necessary to defend the Canal Zone or the Republic of Panama.

In article XXIII of the 1903 treaty, Panama granted the United States the unqualified right at all times, and in its own discretion, to use its police and its land and naval forces for the safety and protection of the canal. The article provides as follows:

ARTICLE XXIII

If it should become necessary at any time to employ armed forces for the safety or protection of the canal, or of the ships that make use of the same, or the railways and auxiliary works, the United States shall have the right, at all

times, and in its discretion, to use its police and its land and naval forces or to establish fortifications for these purposes. Convention between the United States and the Republic of Panama for Construction of a Ship Canal, November 18, 1903 (1904).

Although the United States and the Republic of Panama have never been able to agree upon whether article XXIII authorizes the United States to use Armed Forces or Canal Zone police within territory under Panamanian jurisdiction for the safety or protection of the canal and its appurtenances, the article has never been superseded or modified.

The United States has always considered article XXIII to authorize the United States to use Armed Forces in Panamanian territory when the security of the Canal Zone is threatened. As then Secretary of State Hull said in a letter to then Secretary of War Woodring on May 11, 1938 (after the signing, but before ratification by both nations of the 1936 treaty) :

Insofar as the right of the United States to employ Armed Forces of the United States within the territory of the Republic of Panama * * * the United States has consistently interpreted this article (article XXIII) as applying not only to the Canal Zone, but also to the Republic of Panama proper.

The United States considers article XXIII of the 1903 treaty to authorize its actions in the Colon corridor during the January rioting.

Article X of the General Treaty of Friendship and Cooperation Between the United States and the Republic of Panama, as defined by the notes accompanying that treaty, also authorizes the actions the United States took in the Colon corridor during the rioting. Article X authorizes either Panama or the United States to take whatever action is necessary on territory under the jurisdiction of either in case of the existence of any threat of aggression which would endanger the security of the Republic or the security of the Panama Canal. Article X provides :

In case of an international conflagration or the existence of any threat of aggression which would endanger the security of the Republic of Panama or the neutrality or security of the Panama Canal, the Governments of the United States of America and the Republic of Panama will take such measures of prevention and defense as they may consider necessary for the protection of their common interests. Any measures, in safeguarding such interests, which it shall appear essential to one government to take, and which may affect the territory under the jurisdiction of the other Government, will be the subject of consultation between the two Governments. (General Treaty of Friendship and Cooperation Between the United States and the Republic of Panama, March 2, 1936 (1939) (T.S. 945; 53 Stat. 1807).)

The provision of article X which requires consultation between the two Governments in case either Government takes action affecting territory under the jurisdiction of the other was defined by an exchange of notes between the two nations just prior to U.S. ratification of the treaty. The exchange of notes indicates the understanding of the two Governments that in the event of an emergency so sudden as to require the United States to act without consulting the Government of Panama to safeguard the security of the Panama Canal, the United States need not consult the Government of Panama prior to taking action affecting territory under Panamanian jurisdiction, although subsequently the United States should consult the Government of Panama.

The pertinent paragraph of the exchange of notes provides:

3. As set forth in the records of the proceedings of the negotiations of the general treaty of March 2, 1936, which proceedings were held on March 16, 1935, in the event of an emergency so sudden as to make action of a preventive character imperative to safeguard the neutrality or security of the Panama Canal, and if by reason of such emergency it would be impossible to consult with the Government of Panama as provided in article X of said treaty, the Government of the United States of America need not delay action to meet this emergency pending consultation, although it will make every effort in the event that such consultation has not been effected prior to taking action to consult as soon as it may be possible with the Panamanian Government. (Exchange of notes between the U.S. Secretary of State and the Foreign Minister of Panama, February 1, 1939.)

The Thatcher Ferry Bridge was closed to all but emergency and official Panamanian traffic, such as the Guardia Nacional, doctors, nurses, blood supplies, and so on, on the nights of January 9, 10, and 11. The bridge was open to normal traffic during the day, but such traffic was subject to visual inspection, just as was the traffic at the Colon check points. The bridge closing was required to protect the bridge from the possibility of its destruction by members of the mobs which were ravaging and pillaging property in Panama City and along the Canal Zone border and to prevent infiltration of the zone by rioters.

The Thatcher Ferry Bridge, as you know, lies entirely within the Canal Zone, was constructed and is owned by the United States, and is under the exclusive jurisdiction and control of the United States. The Republic of Panama has no rights with regard to the bridge other than the general right of way over the public roads of the Canal Zone which article VI of the 1903 treaty grants and which is expressly subject to the superior right of the United States when a conflict exists between the Panamanian right of way and the rights granted the United States in the 1903 treaty.

Closing the bridge did not violate Panama's treaty rights. The right-of-way on the public roads of the zone granted Panama by article VI of the 1903 treaty is expressly subordinate to the rights of the United States in any case in which that right of way conflicts with rights granted to the United States by the 1903 treaty. (Convention between the United States and the Republic of Panama for the Construction of a Ship Canal, November 18, 1903 (1904) (T.S. 431; 33 Stat. 2234).) Article II of the same treaty grants the United States the unqualified right to protect the canal, of which the bridge spanning it is an inseparable part. Ibid. Article XXIII of that treaty authorizes the United States in its discretion to use troops or police for the safety and protection of the canal and its auxiliary works. Ibid. As a legal matter, therefore, it can hardly be contended that even had the United States not allowed emergency and official Panamanian traffic to cross the bridge on the nights it was otherwise closed, the United States would have violated its treaty obligations to Panama.

I believe this information answers your request. If not, I will be glad to discuss it with you at your convenience.

Sincerely,

HARRY C. MCPHERSON, Jr.,
Deputy Under Secretary of the Army (IA).

[From the Congressional Record, 88th Cong., 2d sess., May 5, 1964]

UNDER TWO FLAGS: BLUNDERS, CONFUSION, AND CHAOS AT PANAMA

The **SPEAKER PRO TEMPORE**. Under previous order of the House, the gentleman from Pennsylvania [Mr. Flood], is recognized for 30 minutes.

Mr. FLOOD. Mr. Speaker, as a general rule, visitors to the capital city of our country observe the wonderful sights of Washington more closely than those of us residing here. One of the favorite points of interest is the National Archives Building, which houses important documents in our history, including the Declaration of Independence and the Constitution of the United States. Prominently inscribed at the northern entrance of the structure is the expression, "What Is Past Is Prologue."

Though the truth of this statement has been demonstrated many times in our history, its specific application has been dramatically illustrated in recent years by a succession of events affecting the Panama Canal. It was the study of the past that enabled me to understand what movements were underway on the isthmus, to estimate their proximate form of development, and to make timely predictions of what subsequently occurred.

The bloody Red led and directed mob assaults on the Canal Zone territory on January 9-11, 1964, though treated in the mass news media of our country as a sudden eruption, was actually the result of long preparation. Panamanian radicals, led by Red agents trained in Cuba and elsewhere, were awaiting an incident on which to base their attack.

The assault was anticipated by informed persons. The ensuing violence was not the work of our citizens in the Canal Zone charged with heavy responsibilities in the maintenance, operation, sanitation, and protection of the Panama Canal nor of their patriotic, 17-year sons attending the Balboa High School as has been falsely relayed in the major press of our country. Instead, the disorders were part of a long-range Red program for wresting control of the Panama Canal from the United States, and were directly attributable to flying the flag of Panama over the U.S. territorial possession known as the Canal Zone.

Because the January 1964 riots in a very real sense evoked a world crisis focusing on the Panama Canal, I addressed this body at length on March 9 and 11, 1964, summarizing the background, supplying considerable documentation, and outlining a formula for future canal policy.

The sanguinary lawlessness and disorders in January of this year, in effect, were rehearsed on November 3, 1959, the anniversary of the independence of Panama, when mobs of Panamanians attempted to

invade the Canal Zone, overpower Canal Zone police, and forced Panama Canal authorities to call upon the U.S. Army to defend the zone from a Red bath of arson, pillage, and rape.

Did our Government take a strong stand at that time in defense of its sovereign rights, powers, and authority as it should have done? It did not. Instead, our Department of State sent a diplomatic emissary to placate the implacable.

This emissary, Under Secretary of State Livingston T. Merchant, under instructions of his superiors, on November 24, 1959, publicly announced that the United States recognized that "titular sovereignty over the Canal Zone remains in the Government of Panama." This unfortunate and ill-advised statement is highly significant in that it did not define the term, "titular sovereignty" nor did it explain the fact that Panama had never demanded a mere "titular sovereignty" but complete sovereignty.

As I have stated to this body on many previous occasions, so-called "titular sovereignty" can mean nothing more than a reversionary interest on the part of Panama, or a successor state, in the sole event the United States should abandon the Panama Canal or fail to meet its treaty obligations. The United States cannot in anywise discharge its tremendous duties with respect to the canal with less authority in the Canal Zone than it has always exercised and as was expressly granted in the 1903 treaty.

Another rash of Red-led violence occurred on November 28, 1959, with the result that the Panamanian Ambassador to the United States presented a formal request for the display of the Panama flag in the Canal Zone. A few days later, on December 2, 1959, our Department of State prevailed upon the then President of the United States to express his belief that "we should have visual evidence that Panama does have titular sovereignty over the region" but he likewise refrained from defining the term "titular sovereignty."

Contemporaneously with these developments, the House Committee on Foreign Affairs, in order to avoid dangers clearly foreseen, after an extensive inquiry into the Canal Zone sovereignty situation, reported favorably and recommended adoption by the Congress of the following concurrent resolution:

That it is the sense of the Congress that any variation in the traditional interpretation of the treaties of 1903, 1936, and 1955 between the United States and the Republic of Panama, with special reference to matters involving the provisions of such treaties concerning territorial sovereignty, shall only be made pursuant to treaty. (H. Con. Res. 459, 86th Cong.; see also H. Rept. No. 2218, 86th Cong., pp. 37-40.)

Debated in the House on February 2, 1960, this resolution was adopted by a record vote of 381 to 12, clearly showing the overwhelming feeling of the people of our country against permitting the flag of Panama to be flown in the Canal Zone. Sent to the Senate, this resolution was referred to the Committee on Foreign Relations but was never acted on by this committee. (See Congressional Record, Feb. 2, 1960.)

The House followed up its first action by passing on February 9, 1960, the Gross amendment to the 1961 Department of Commerce appropriation bill. This amendment prohibited the use of any appropriated funds under the bill "for the purpose of displaying the flag of Panama in the Canal Zone, the sovereign control of which is vested in

the U.S. Government by virtue of longstanding treaty." The amended bill was accepted by the Senate and became law. This action by the Congress showed clearly the resolve of the people of the United States not to surrender to Red-dictated demands in Panama.

Addressing the House again on June 23, 1960, I emphasized the stupidity of allowing the formal display of the Panama flag in the Canal Zone, warned the Congress of the intention of certain suspect elements in the Department of State to do so, and called for a house cleaning of those elements from the Department. On June 30, I wrote the then Secretary of State, Christian A. Herter, giving notice that should such formal display of the Panama flag over the Canal Zone be made that Members of this House, who are clothed with constitutional authority in this regard, would press for his impeachment (Congressional Record, July 1, 1960).

Did these actions deter the suspect elements in the Department of State in their course? They did not. These elements merely waited for the Congress to adjourn.

Then, on September 17, 1960, the President of the United States, acting on the advice of the Department of State and utterly ignoring the actions of the Congress in the premises, directed that the Panama flag be flown together with the United States flag at a single place in the Canal Zone and authorized the U.S. Ambassador to Panama, Joseph S. Farland, to make a public statement to that effect. This surrender to Red aims at Panama, Mr. Speaker, was a major catastrophe in the conduct of U.S. foreign policy that placed the Canal Zone Government under two flags.

Notwithstanding the warning by Ambassador Farland in the note on September 17, 1960, that such display was "in nowise to be considered as modifying in any way the treaties and agreements in force between the United States and Panama," the Panamanian people, led by Reds and other radicals, exactly as any high school student could foresee, interpreted the formal display of the Panama flag as a belated recognition by the United States of full Panamanian sovereignty over the Canal Zone.

Aggravated later by a more profuse display of Panamanian flags in the zone by the succeeding U.S. administration, that initial display amounted to placing the Panama Canal enterprise under dual sovereignty, which was the very situation that President Theodore Roosevelt and his advisers had sought to avoid. The January 1964 violence was the inevitable consequence of this part way concession to Red-instigated demands.

In this connection, Mr. Speaker, I may add that among those most directly responsible for this deplorable surrender was Dr. Milton S. Eisenhower, whose part was condemned by me on the floor when he was meddling in isthmian matters. Certainly his record of experience is not such as to qualify him to express authoritative opinions on the problems of the Panama Canal.

In an effort to establish facts concerning the titular sovereignty and flag incidents following the recent Panamanian outbreak, I wrote the Secretary of State on January 15, 1964. Because of the evasive responses received this endeavor resulted in considerable correspondence.

The facts thus developed are quite revealing and should be understood by all concerned with interoceanic canal problems.

An examination of these letters will disclose an impossible situation in which the Governor of the Canal Zone serves under two flags, making the zone a no man's land. Furthermore, Mr. Speaker, the fight that erupted in January is going to continue until all Panama flags are removed from the Canal Zone and the United States stands up for its legitimate rights, power, and authority or the other way around—the sole display of the Panama flag with abandonment of the Canal Zone by the United States. As shown by the contemptible action on the part of the President of Panama in demanding that the Panama flag be hoisted at full height while the U.S. flag was at half-mast in respect to General MacArthur, the Panama Canal cannot serve under two masters.

The timid, vacillating course of our highest officials of the Department of State with respect to Panama Canal through the years, dominated by overt and covert efforts to liquidate U.S. authority as regards the enterprise, constitutes a tragic and sinister chapter in American diplomatic history. It has weakened and brought into actual contempt the public image of our great country in the world at large. Had a more courageous course been pursued, with proper assertion and maintenance of the wise and justifiable rights of our Government at Panama, the posture of our country would have been one to command the respect of all nations. Moreover, Mr. Speaker, I can state that growing numbers of our people are no longer fooled by diplomatic deceptions and are asking what are the influences in our Government that have permitted such betrayals of our interests.

Confusing the issue of sovereignty by the clever misuse of the term "titular sovereignty" and the unauthorized display of the Panama flag in the zone in violation of law, treaty, and international usage, were blunders of the first magnitude, which can and should be promptly corrected by their removal. The only thing that could be worse than making such blunders in the first place would be persistence in the errors.

Now that the January events are ample proof that someone made mistakes in flying the Panama flag in the Canal Zone, let us correct the situation so that only one flag will fly in the future—the flag of the United States of America.

In order to make the indicated exchange of letters available as source materials for editors, commentators, and other publicists; as documentation for historians; and as references for the Congress and the executive branch of our Government, I quote them as part of my remarks and urge that they be carefully studied, especially by the members and staffs of cognizant appropriation, legislative, and investigating committees.

JANUARY 15, 1964.

HON. DEAN RUSK,
*Secretary of State,
Department of State,
Washington, D.C.*

DEAR MR. SECRETARY: In connection with the action of officials of the executive branch of our Government with respect to the recognition in 1959 of so-called titular sovereignty of Panama over the

Canal Zone and the flying of the Panama flag in Shaler Triangle in September 1960, I request the following:

1. A copy of any order or statement by the President, the Secretary of State, or other official directing the recognition in 1959 of titular sovereignty over the zone.

2. A copy of any order or statement by the President, the Secretary of State, or other official directing the display in 1960 of the Panama flag in Shaler Triangle.

An early reply is requested.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

DEPARTMENT OF STATE.
Washington, January 30, 1964.

HON. DANIEL J. FLOOD,
House of Representatives.

DEAR CONGRESSMAN FLOOD: Thank you for your letter of January 15, 1964, to the Secretary in which you requested certain documents relative to the titular sovereignty of Panama over the Canal Zone and the flying of the Panamanian flag in Shaler Triangle.

Pursuant to your request there is enclosed a copy of a recently prepared summary background report on the flag issue. The texts of the principal pertinent documents are contained in this report.

If I can be of further assistance to you in this matter, please do not hesitate to call on me.

Sincerely your,

FREDERICK G. DUTTON,
Assistant Secretary.

SUMMARY BACKGROUND: FLYING OF PANAMANIAN FLAG WITH U.S.
FLAG IN CANAL ZONE BY CIVILIAN AUTHORITIES, JANUARY 20, 1964

Following violent disturbances on November 3, 1959, at the Canal Zone-Panama boundary, involving sovereignty, flags, and other issues, a special representative of the Department of State said in Panama on November 24, 1959:

During the course of our discussions, in response to a question by the President of Panama, I assured him that the policy of the U.S. Government with respect to the status of the Canal Zone remains as it had been stated more than 50 years ago to the effect that the United States recognizes that titular sovereignty over the Canal Zone remains in the Government of Panama.

Further demonstrations, including some violence against the Canal Zone, occurred again on November 28, 1959. Subsequently the Panamanian Ambassador to the United States in Washington presented a formal request for, among other things, the flying of the Panamanian flag in the Canal Zone.

On December 2, 1959, President Eisenhower in a press conference stated that he did "in some form or other believe that we should have visual evidence that Panama does have titular sovereignty over the region." In a press conference on December 10, 1959, Secretary of State Herter stated that sympathetic consideration was being given to the proposal that the Panamanian flag fly in the Canal Zone.

On September 17, 1960, President Eisenhower directed that the U.S. flag and the Panamanian flag be flown together in a single place in the Canal Zone known as Shaler Triangle. This action was announced by a White House release which read as follows:

Last December 2, the President stated his belief that there should be visual evidence of Panama's titular sovereignty over the Panama Canal Zone. The President has now, as a voluntary and unilateral decision on the part of the Government of the United States, approved and directed the flying of the flag of the Republic of Panama together with the U.S. flag on a daily basis in Shaler Triangle in the Canal Zone. The President has authorized the American Ambassador, Joseph S. Farland, to make a public statement to this effect.

The President hopes that his decision will demonstrate the continuing close bonds that exist between the people of the United States and the Republic of Panama and their Governments.

The U.S. note transmitted to the Panama Foreign Office on September 17, 1960, stated (Department of State Bulletin, Oct. 10, 1960, vol. XLIII, No. 1111, p. 558):

I am pleased to state that, after the highest consideration by my Government, I am instructed to inform you that as a further reflection of the genuine friendship existing between our two Governments and peoples, my Government has determined that as a voluntary act on the part of the United States, and in recognition of the titular sovereignty residing in the Republic of Panama with respect to the Canal Zone, the Panamanian flag will hereafter be flown together with the United States flag on a daily basis in the area known as Shaler Triangle in the Canal Zone. This determination is in no wise to be considered as modifying in any way the treaties and agreements in force between the United States and Panama.

On September 21, 1960, the two flags were first flown at Shaler Triangle, and have flown there daily since then.

On June 13, 1962, Presidents Kennedy and Chiari issued a joint communique stating that they were appointing high-level representatives to discuss points of dissatisfaction. Ambassador Farland and Governor Fleming were appointed by President Kennedy and Foreign Minister Solis and Dr. Octavio Fábrega were appointed by President Chiari.

The communique stated that the Presidents "agreed that their representatives will arrange for the flying of Panamanian flags in an appropriate way in the Canal Zone."

The flag question was the first substantive matter discussed by the Special Commission. Governor Fleming with the concurrence of Ambassador Farland developed a list of 15 sites at which the United States and Panamanian flags would fly together in the Canal Zone, including Shaler Triangle where the two flags had been flying since September 21, 1960, by direction of President Eisenhower. This list of site locations for the dual flags was presented to Panama at a meeting on July 20, 1962, for discussion purposes, and was forwarded to Washington for review by the Department of State and others.

The selected sites were acquiesced in by Panama and were approved in principle by those reviewing the matter in Washington. The sites were substantially the same as those subsequently used except as affected by the addition of civilian school premises in January 1964.

The original list of sites did not include any schools. At no time did Panama or anyone in Washington object to the specific list of civilian areas or suggest any additions or deletions or raise a question about the schools. This remained true until after the trouble which began on January 7, 1964.

While the list of civilian sites was not itself controversial, Panama sought also to have her flag flown in military areas and on transiting ships. And some Members of Congress and many U.S. citizen residents in the Canal Zone felt strongly against the flying of the Panamanian flag at all in the Canal Zone. The House of Representatives had passed House Resolution 459 on February 2, 1960, against flying the Panamanian flag. The pertinent 1961 appropriation act contained a rider prohibiting the use of Canal Zone Government or Panama Canal Company funds to install a flagpole for flying a Panamanian flag in the Canal Zone (Public Law 86-451, May 13, 1960). Nevertheless the September 1960 action by President Eisenhower followed and the dual flags were established in Shaler Triangle, using special funds.

When the new Thatcher Ferry Bridge was dedicated on October 12, 1962, United States and Panamanian flags were flown at each end of the center span. These flags, the first dual sets to be flown since the Shaler Triangle action, have flown 24 hours a day ever since.

On October 29, 1962, in further implementation of the agreement, dual flags were flown at the Administration Building at Balboa Heights, and on November 1, 1962, at the administration building at Cristobal. This followed public announcement of the agreement on flags by President Chiari in an address to the Panamanian National Assembly on October 1, 1962.

On January 10, 1963, the Joint Commission created by Presidents Kennedy and Chiari issued a joint communique, the first paragraph of which reads as follows:

1. It has been agreed that the flag of the Republic of Panama will be flown together with the flag of the United States of America on land in the Canal Zone where the flag of the United States of America is flown by civilian authorities. Private organizations and persons in the zone are free to display flags at will over their places of residence or business. Other aspects of the flag question will be discussed later.

On October 26, 1962, a Panama Canal Company employee, Gerald Doyle, had filed suit against the Governor of the Canal Zone seeking to enjoin the flying of the Panamanian flag in the Canal Zone. This action received substantial support from many Canal Zone residents and from some Members of Congress. While the suit was pending the Governor refrained from initiating any further dual flags at the remaining sites. Panama, apparently understanding the situation, did not press for action to further implement the flag agreement during the litigation, despite adverse press comment in Panama concerning the litigation.

The flag suit was dismissed by the U.S. district court in the Canal Zone on July 8, 1963, the court opinion holding that the matter was one of executive discretion. The time for appeal expired on September 27, 1963, without an appeal having been filed.

Thereafter the Governor directed that the dual flags be flown at the remaining selected sites. This was carried out in accordance with a schedule which would permit completion of the installation of all poles by February 7, 1964. As each set of poles was erected the two flags were immediately flown thereon, without publicity or ceremony. In the meantime the list of 15 locations for the two flags had increased to 17 by reason of the Governor's addition of sites at 2 cemeteries, which had been mentioned but not specifically included at the time of the original list.

During the course of the year, some flagpoles at locations not selected for dual flags were removed, such as at the Governor's residence which is a block or so from the administration building where the two flags were already flying. The removal of flagpoles drew some adverse press comment. In general, the sites for the dual flags were selected to provide for such display in each major population area plus special locations such as the locks and governmental administration buildings.

In November 1963 the Governor considered flying the dual flags at the four high schools. This question was discussed informally with the Canal Zone Civic Council leaders and with the senior officials of the Panama Canal Company and Canal Zone Government. The civic councils felt strongly that such dual displays at the schools would lead to major flag incidents. Senior agency officials generally agreed with the civic councils. This position was consistent with the informal opinion received from school officials in 1962 when the question of flags at schools was first considered by the Governor. The original decision not to fly the dual flags outside the schools, and therefore no flag, under the agreement, was reaffirmed by the Governor in December 1963.

By the end of December 1963, 11 of the dual flag installations were in operation, with 5 more scheduled for January and early February 1964, and the final site set for new Gorgas Hospital when construction would be completed later in 1964.

During the Christmas holidays it was decided by the Governor that full implementation of the agreement with Panama would be put into effect on January 2, 1964, at which time the Panamanian flag would be flown wherever the U.S. flag was flown by civilian authorities. This meant that no U.S. flags would be flown outside the schools and at about four other locations where single U.S. flags were still flying on December 31.

On December 30, 1963, the following press release was issued by the Governor:

On and after January 2, 1964, the Panamanian flag will be flown together with the flag of the United States on civilian land areas in the Canal Zone where the U.S. flag is flown by civilian authorities.

This action implements the understanding made public in a joint communique issued by the two Governments earlier this year which stated that "the flag of the Republic of Panama will be flown together with the flag of the United States of America on land in the Canal Zone where the flag of the United States of America is flown by civilian authorities. Private organizations and persons in the zone are free to display flags at will over their places of residence or business."

For some time the Panama Canal has been erecting dual flagpoles at selected sites. Work has been completed and the two flags are now flying at 11 of the sites. Dual flagpoles will be erected at five additional sites between now and the early part of February. One further location at which the two flags will fly will be the new Gorgas Hospital addition when it is completed later this year.

The 11 locations where the 2 flags now flying are Shaler Plaza, Thatcher Ferry Bridge, the administration building in Balboa and also at Cristobal, Miraflores and Gatun Locks, Coco Solo and Corozal Hospitals, Palo Seco, Margarita and Coco Solo. The five remaining locations in addition to the new Gorgas Hospital addition are Gamboa-Santa Cruz, Rainbow City, Paraiso, Mount Hope Cemetery and Corozal Cemetery. Locations at which the U.S. flag has currently been flown alone and at which no flags will be flown on or after January 2, 1964, are the schools; the Ancon District Court Building, the Industrial Division, Cristobal; a site in Gamboa which will be replaced by the site for the two flags; and the present Gorgas Hospital.

In accordance with law and customs requiring the U.S. flag to be displayed in or near schools, the U.S. flag will continue to be displayed in classrooms or else-

where within the schools as at present. The Panamanian flag will continue to be displayed with the U.S. flag in all Latin American schools and in certain other schools as appropriate, following present practice.

Schools reopened on Thursday, January 2, 1964, after the Christmas holiday. The U.S. flag which formerly had been raised in front of each school on schooldays was no longer flown, in accordance with the commitment to Panama to fly two or none.

During the first few days of the new school period students at Balboa High School began to generate feeling in protest against the discontinuance of the U.S. flag outside the school. A U.S. flag is displayed in every classroom but the outside flag became an object of current significance. By Monday, January 6, it was known by school officials and some parents and others that some of the students intended to go to school early on Tuesday, January 7, and to raise the U.S. flag on the outside pole at Balboa High School. On Friday, January 3, a petition to President Johnson protesting the discontinuance of the U.S. flag outside the Balboa High School was circulated at the school and signed by 400 to 500 students.

Balboa High School has an enrollment of 1,851. Of these, 1,777 are U.S. citizens; 927 or 50.1 percent, of the students at Balboa High School are children of military or civilian personnel of the U.S. Armed Forces. Six hundred and thirty-nine, or 34.5 percent, are children of employees of the Canal Zone Government and Panama Canal Company; 136, or 7.3 percent, are children of American businessmen and other non-Government personnel in Panama and the Canal Zone; 75, or 4.1 percent, are children of U.S. citizen employees of the U.S. Embassy, AID, USIS, and the Federal Aviation Agency; 74, or 4 percent are non-U.S.-citizen tuition students, principally Panamanians.

By 6:45 a.m. on Tuesday, January 7, about 25 students had gathered on the lawn in front of the high school with a flag. The halyards were locked on the pole. Attempts were made to climb the pole but efforts to get the flag aloft were at first not successful. By 7:25 some 200 to 300 students, mostly observers, were present and a group of 50 to 80 were around the pole itself. The few actually working at it finally worked the halyards loose so that despite the lock the flag was raised at 7:25. School officials were present, and a couple of policemen were in the area. A dozen or so adults, presumably parents, were on the sidelines.

Classes started at 7:45 and nearly all students attended. Absenteeism during the day was nearly normal. A dozen or so adults and students remained in the area across the street from the campus. At 8:20 the acting superintendent of schools, the principal of the high school, and the civil affairs director within whose bureau the schools operate, lowered the flag, which was taken to the principal's office.

The first class period was over at 8:38 a.m., and at 8:40 six college students and one high school student put up another small flag. About 150 students were on the school steps or lawn and they pledged allegiance to the flag. A number of adults were in the area. School officials were present. No police were in the immediate area. No effort to prevent the students' action was taken because of a policy decision approved by the Governor that an incident involving physically preventing these American students from raising the American flag outside their school and pledging allegiance should be avoided, in the expectation that the protest demonstration would have achieved its purpose and the flag could be lowered quietly later. No laws were

broken and it was considered that the demonstration by the students did not constitute a flying of the flag by "civilian authorities."

It was understood that the active ringleader group of students intended to require authorities to use force if an effort were made to prevent the raising of the flag, or to take it down once up, or to remove the flagpole. School officials urged students to return to classes which nearly all did. Photographers, professional and others, were present at all actions described.

During the morning a small group of students kept watch from just off the campus. Between classes large numbers appeared to see what had happened, there having been rumors that the authorities intended to remove the pole or halyard. At noon the students substituted a larger flag on the pole. After school about 100 students, with adults, remained around the area until late evening to prevent action to remove the flag or pole. About 25 remained on watch all night and were furnished food and blankets by adult sympathizers.

At 6 p.m. on Tuesday the flag was lowered by six high school boys. At 7:30 a.m. on Wednesday it was again raised. The situation was about the same on Wednesday. In the afternoon some 200 students marched around the flag with placards demanding that the flag stay up. Ringleaders told school officials that students would continue in classes so long as the flag was up. It was understood that if the flag were taken down the fire alarm would be used to signal a student rush to prevent the action. The principal put out written bulletins assuring that there was no intention to remove the flagpole, and cautioning against any improper use of the fire alarm system.

On the Atlantic side similar action was taken on Wednesday by large numbers of students at Cristobal High School with substantial parental support. Groups went to several elementary schools also and put up flags, on both the Atlantic and Pacific sides.

On Wednesday, January 8, the Governor issued a statement appealing to the public for cooperation. He reviewed the background of the dual flag program and said:

I believe that it is unnecessary for me to dwell at length on the responsibilities of U.S. citizens to abide by the official commitments of their Government. I would, however, like to emphasize that we have a particular responsibility here in the Canal Zone where our actions are subject to direct view by citizens of other countries.

I request the cooperation of all U.S. citizens at this time in honoring our country's commitments and in showing our good faith by our own actions. We must set the example and some recent actions have not been good in view of an international commitment of the United States.

At the same time, I will say that the list of official locations at which the two flags are to be flown is not final and absolute. Should the various communities desire dual flag displays at other locations, it is possible that we can make appropriate additions in consonance with our international commitment. In this regard, I would look to the civic councils for advice as to the wishes of the communities.

On Thursday morning, January 9, the Governor pretaped and film-recorded an address to the public. This statement was presented by Canal Zone radio and television at 6:15 p.m. It reviewed the discussions with Panama during the preceding 2 years with particular reference to the flag issue. The Governor explained the commitment to Panama, the selection of the sites for dual flags, and the issue as to flags at the schools. He stated that "the flag agreement is a valid commitment of our Government. We Americans in the zone have an obligation as citizens to support that commitment regardless of our

personal beliefs. I hope that we Americans will conduct ourselves with reason, and in an emotional situation successfully avoid emotionalism."

Following the tragic events of Thursday evening, January 9, and thereafter, which are not within the scope of this summary, the dual flags were directed to be flown outside the Canal Zone schools by Secretary of the Army Vance. The following announcement was made on January 11, 1964:

"After consultation with Governor Fleming, Secretary Vance announced tonight that the Canal Zone Government will continue to fly the U.S. flag outside public schools in the Canal Zone and that in accordance with the existing agreement between the Republic of Panama and the United States, the Panamanian flag will be flown alongside the U.S. flag at these locations."

Accordingly, poles were erected and the dual flags were flown from 17 public schools in the Canal Zone beginning January 15, 1964.

As of January 19, 1964, the Panamanian flag is being flown or is scheduled to be flown by civilian authorities in the Canal Zone where the U.S. flag is flown, at 30 locations, identified in the attached list which also states the date upon which the two flags were first flown together at each location.

SUMMARY—DUAL FLAG INSTALLATIONS IN CANAL ZONE

Location and date dual flags first flown:

Shaler Triangle, September 21, 1960.
Thatcher Ferry Bridge, October 12, 1962.
Administration Building, Balboa Heights, October 29, 1962.
Administration Building, Cristobal, November 1, 1962.
Miraflores locks, October 24, 1963.
Gatun locks, November 9, 1963.
Coco Solo Hospital, November 15, 1963.
Corozal Hospital, November 30, 1963.
Palo Seco Hospital, December 4, 1963.
Margarita townsite, December 18, 1963.
Balboa High School, January 15, 1964.
Canal Zone College, January 15, 1964.
Balboa Elementary School, January 15, 1964.
Ancon Elementary School, January 15, 1964.
Diablo Elementary School, January 15, 1964.
Diablo Junior High School, January 15, 1964.
Los Rios Elementary School, January 15, 1964.
Pedro Miguel Elementary School, January 15, 1964.
Paraiso Elementary School, January 15, 1964.
Paraiso Junior-Senior High School, January 15, 1964.
Gamboa Elementary School, January 15, 1964.
Santa Cruz Elementary School, January 15, 1964.
Cristobal Junior-Senior High School, January 15, 1964.
Coco Solo Elementary School, January 15, 1964.
Rainbow City Junior-Senior High School, January 15, 1964.
Margarita Elementary School, January 15, 1964.
Gatun Elementary School, January 15, 1964.
Mount Hope Cemetery, scheduled for January 31, 1964.
Corozal Cemetery, scheduled for February 7, 1964.
New Gorgas Hospital, scheduled for later in 1964.

FEBRUARY 6, 1964.

HON. FREDERICK G. DUTTON,

Assistant Secretary of State for Congressional Relations, Department of State, Washington, D.C.

DEAR MR. SECRETARY: Thank you for your letter of January 30, 1964, and its enclosed summary background on flying the Panamanian flag in the Canal Zone territory. This summary, with the single exception of the indentation of one paragraph, seems to be identical with the summary published in the Panama Canal Spillway of January 27.

As you know, I have dealt at length with the unauthorized display of the Panama flag in the Canal Zone in addresses to the Congress and have made some pointed observations thereon.

The special representative of the Department of State sent to the isthmus following the November 3, 1959, attempted mob invasion of the Canal Zone, which I had predicted on the floor of Congress, was Under Secretary of State Livingston Merchant, who is not specifically named in the summary and who at no time defined the term, "titular sovereignty."

After he made his November 24, 1959, statement I wrote him a critical letter challenging his authority. In reply, he stated that the indicated action did not originate with him and that he was acting under instructions. It is unfortunate that he and his superiors did not seem to realize that the Panama Canal is neither a filling station nor a Safeway Store but, indeed, one of the great agencies for the betterment and protection of the free world.

The specific information that I wish to have may be covered in the following questions:

(a) What is the name of the official in the Department of State who originated the proposal to fly the Panama flag in the Canal Zone as visual evidence of "titular sovereignty"?

(b) What are the names of the officials who approved the instructions to Under Secretary Merchant?

(c) Was the enclosure to your letter prepared in the Department of State or in the Panama Canal Organization?

(d) What is the Department of State's definition of the term, "titular sovereignty"?

(e) Is it anything more than the reversionary clause in a deed which conveys full perpetual title to property with a provision that if the grantee fails to use the property for the purposes for which it was conveyed, as for instance, in charitable and educational transactions, there is reversion of title to the grantor?

(f) Why is it not made clear to the Panamanian Government and the world at large exactly what the Department of State means when using the term, "titular sovereignty"?

(g) It is the contention of the Department that the United States, in the building, operation, and maintenance of the canal, has by omission or commission been guilty of acts which have the effect of nullifying the grant of sovereignty in perpetuity accorded by the 1903 treaty?

In these general connections permit me to quote the statement by former President Theodore Roosevelt on December 2, 1918, the year

after John Reed's declaration in Petrograd for internationalizing the Panama Canal.

The Panama Canal must not be internationalized. It is our canal; we built it, we fortified it, and we will protect it, and we will not permit our enemies to use it in war. In time of peace, all nations shall use it alike but in time of war our interest at once becomes dominant. (Congressional Record, Feb. 4, 1964, p. A501.)

In order that I may advise the Congress in the premises, full information is desired and an early reply is respectfully requested.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

DEPARTMENT OF STATE,
Washington, February 18, 1964.

HON. DANIEL J. FLOOD,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN FLOOD: Thank you for your letter of February 6, 1964, regarding certain aspects of U.S. relations with the Republic of Panama. The answers to your specific questions follow:

(a-b) Deputy Under Secretary of State Merchant, in making the statement to which you refer, was speaking in the name of and with the full authority of the Secretary of State. In this connection, you will recall that President Eisenhower, in announcing that the Panamanian flag would be flown in the Canal Zone, stated at a news conference on December 2, 1959, that this action would constitute visual evidence of the titular sovereignty of the Republic of Panama in the Canal Zone.

(c) The enclosure to my letter of January 30, 1964, on the flag issue was prepared in the Office of the Governor of the Canal Zone and was subsequently reprinted in the Panama Canal publication *Spillway* as an accurate account of the events of January 9-12 in Panama.

(d) Regarding a definition of "titular sovereignty" in the Canal Zone, the Department of State has always relied on statements by Mr. William Howard Taft, in view of his preeminence as a jurist and his intimate knowledge of matters pertaining to the Canal Zone. These statements read as follows:

"The truth is that while we have all the attributes of sovereignty necessary in the construction, maintenance, and protection of the canal, the very form in which these attributes are conferred in the treaty [of 1903] seems to preserve the titular sovereignty over the Canal Zone in the Republic of Panama, and as we have conceded to us complete judicial and police power and control over the zone and the two ports at the end of the canal, I can see no reason for creating a resentment on the part of the people of the isthmus by quarreling over that which is dear to them but which to us is of no real moment whatever." From letter signed William H. Taft, Secretary of War, and addressed to the President under date of January 12, 1905. (Printed in hearings before the Committee on Inter-oceanic Canals of the U.S. Senate, in the matter of the Senate resolution adopted January 9, 1906, providing for an investigation of matters relating to the Panama Canal, etc., S. Doc. 401, 59th Cong., 2d sess., pp. 2392, 2393, 2399 (vol. III); vol. 32, S. Docs. (1907, 59th Cong., 2d sess.), 2392, 2393, 2399.)

Article III of the treaty [the Hay-Bunau Varilla Convention for the Construction of a Ship Canal, signed November 28, 1903] provides as follows:

"The Republic of Panama grants to the United States all the rights, powers, and authority within the zone mentioned and described in article II of this

agreement and within the limits of all auxiliary lands and waters mentioned and described in said article II which the United States would possess and exercise if it were the sovereign of the territory within which said lands and waters are located, to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority."

It is peculiar in not conferring sovereignty directly upon the United States, but in giving to the United States the powers which it would have if it were sovereign. This gives rise to the obvious implication that a mere titular sovereignty is reserved in the Panamanian Government. Now, I agree that to the Anglo-Saxon mind a titular sovereignty is like what Governor Allen, of Ohio, once characterized as a "barren ideality," but to the Spanish or Latin mind poetic and sentimental, enjoying the intellectual refinements, and dwelling much more on names and forms it is by no means unimportant. (From statement by William Howard Taft, as Secretary of War, before Committee on Inter-oceanic Canals on April 18, 1906. Hearings, Wednesday, April 18, 1906, Senate Committee on Inter-oceanic Canals, 59th Cong., 2d sess., *ibid.*, 2315, 2526-2527.)

(e) The nature of a right granted by treaty depends upon the particular treaty language according to practice of international law. For this reason private law relating to real property is to be differentiated from applicable treaties.

(f) The statements of Mr. William Howard Taft quoted under item (d) above are widely known.

(g) So far as the matter of sovereign rights is concerned, the United States has built, operates, and maintains the canal in exercise of the rights, power, and authority granted by the several treaties between the United States and the Republic of Panama, and with special reference to the grant contained in articles II and III of the 1903 Convention whereby the United States is entitled to exercise such rights, power, and authority which it "would possess and exercise if it were the sovereign of the territory within which said lands and waters are located."

If I can be of further assistance to you in this matter, please do not hesitate to call upon me.

Sincerely yours,

FREDERICK G. DUTTON,
Assistant Secretary.

MARCH 13, 1964.

HON. DEAN RUSK,

Secretary of State, Department of State, Washington, D.C.

DEAR MR. SECRETARY: The Department of State letter of February 18, 1964, over the signature of Assistant Secretary Frederick G. Dutton, is not adequately responsive in replies to my questions nor, may I say, fully candid. Quoting Mr. Taft in one connection and ignoring his true meanings and interpretations as expressed in other statements constitutes "special pleading." Because of this, I shall elaborate, primarily on the question of "titular sovereignty."

In an address at New Orleans on February 9, 1909, when the Panama Canal was under construction, President-elect Taft included the following statement in his remarks:

Because under the treaty with Panama we are entitled to exercise all the sovereignty and all the rights of sovereignty that we would exercise if we were sovereign, and Panama is excluded from exercising any rights to the contrary of those conceded to us. Now that may be a ticklish argument, but I do not care whether it is or not. We are there. We have the right to govern that strip and we are going to govern it. And without that right to govern the strip,

without the power to police it, and without the power to make the laws in that strip bend, all of them, to the construction of the canal, we would not have been within 2 or 3 or 4 years, hardly, of where we are in the construction. (See my address, "Panama Canal: Object of Irresponsible Political Extortion," Congressional Record, July 23, 1958.)

On another occasion, November 16, 1910, when attending a banquet given by the President of Panama in the capital of that country, President Taft made this significant pronouncement:

We are here to construct, maintain, operate, and defend a world canal, which runs through the heart of your country, and you have given us the necessary sovereignty and jurisdiction over the part of your country occupied by that canal to enable us to do this effectively. (Source: Canal Record, vol. IV (Nov. 23, 1910), p. 100.)

These words were not mere offhand remarks by an exhilarated banquet speaker but a deliberately phrased declaration by the President of the United States addressed to Panamanian officials with great candor and for the purpose of avoiding misunderstanding. It reflected the policy of our Government under which the Canal Zone was acquired, the Panama Canal constructed, and has been subsequently maintained, operated, sanitized, and protected.

Again in 1930, when Chief Justice of the United States, Mr. Taft discussed the theory of "titular sovereignty" in an opinion of the Supreme Court delivered by him in *Luckenbach S.S. Co. v. United States*, 280 U.S. 173; 50 Supreme Court 148:

Whether the grant in the treaty amounts to a complete cession of territory and dominion to the United States, or is so limited that it leaves at least titular sovereignty in the Republic of Panama, is a question which has been the subject of diverging opinions and is much discussed in the briefs.

The opinion stated that for the purposes of this case the construction of the treaty in that regard need not be examined as an original question. This opinion was in nowise in derogation of the views of President Taft as hereinbefore set forth.

That the grant of full sovereignty over the Canal Zone to the United States was the intent and understanding of responsible Panamanian officials in 1903 as well as those of the United States is completely established.

Years later, when describing his 1903 treaty negotiations as Minister of Panama to the United States, Bunau-Varilla stated:

After mature thought I recognized that if I enumerated in succession the various attributes of sovereignty granted, I ran the risk of seeing in the (U.S.) Senate, some other attributes asked for. To cut short any possible debate I decided to grant a concession of sovereignty en bloc. (Earl Harding, "The Untold Story of Panama," 1959, p. 39).

Subsequent to the ratification of the 1903 treaty, Minister of Government Tomas Arias of Panama, a member of the revolutionary junta that brought about Panamanian independence, addressed the following statement on May 25, 1904, to Gov. George W. Davis of the Canal Zone:

The Government of the Republic of Panama considers that upon the exchange of ratifications of the treaty for opening an interoceanic canal across the Isthmus of Panama its jurisdiction ceased over the zone. (See my address, "Panama Canal—Latest Development," Congressional Record, June 9, 1958.)

In addition to understanding what was in the minds of United States and Panamanian officials at the time, it is important to realize that the

formula for exclusive U.S. Sovereignty in perpetuity was not accidental, or the result of the machinations of secret agents as claimed by some partisan writers, but was based upon the January 18, 1902, recommendation of the Isthmian Canal Commission, of which Rear Adm. John G. Walker, one of the ablest officers of his era, was president. I quote a pertinent part:

The grant [of the Canal Zone] must be not for a term of years, but in perpetuity, and a strip of territory from ocean to ocean of sufficient width must be placed under the control of the United States. In this strip the United States must have the right to enforce police regulations, preserve order, protect property rights, and exercise such other powers as are appropriate and necessary. (Source: S. Doc. No. 123, 57th Cong., p. 9.)

It was the realistic philosophy of this recommendation, made after prolonged study of conditions on the isthmus, that was embodied in the 1902 Spooner Act authorizing acquisition of the Canal Zone and that found expression in provisions in the 1903 treaty for sovereignty in perpetuity and a Canal Zone width of 10 miles rather than 10 kilometers as was to be provided under the Hay-Herran Treaty with Colombia. These were important, in fact, indispensable conditions under which the United States was willing to build the Isthmian Canal at Panama instead of Nicaragua. It was only after the United States became fully committed to build the canal at Panama under the 1903 treaty and after the 1904 declaration of Minister of Government Tomas Arias quoted above that Panama raised the question of Panamanian sovereignty, which was promptly denied by Secretary Hay.

Regardless of the many clamorous statements of advocates on the sovereignty question, these two observations are pertinent:

1. That any so-called "titular sovereignty" of Panama over the Canal Zone would be entirely naked or barren; that Panama would derive no present sovereign rights, powers, privileges, or other prerequisites whatever except as authorized under treaty; that in respect to the difference between private law relating to real property and international law, the basic commonsense interpretations are the same; and that "titular sovereignty" would be wholly latent or reversionary in character, analogous to the case of a private conveyance of real estate for a particular purpose and thus forever binding unless the grantee fails to use the property for the intended purpose, in which case the title would revert to the grantor.

2. That Panama, as far as can be ascertained, has never at any time contended that it possessed "titular sovereignty" but absolute sovereignty, not withstanding the positive provisions of the 1903 treaty to the contrary.

It seems very strange, indeed, that contemporary Department of State officials ignore the interpretations on the sovereignty issue given by Mr. Taft as President-elect, President and Chief Justice and as practiced by him as Secretary of War, and also the historic statements of Secretaries Tomas Arias, Hay, and Hughes.

From the time the United States occupied the Canal Zone in 1904, the Congress has passed all legislation necessary for the construction, maintenance, operation, sanitation, and protection of the Panama Canal. This, together with minor enactments by the Isthmian Canal Commission, 1904-14, form an extensive Canal Zone Code covering

all the vital features of legislation required for the government of the Canal Zone and the construction, maintenance, and operation of the canal. As was foreseen by both Panamanian and United States officials at the outset, the great achievements incident to construction of the Panama Canal simply could not have been accomplished except with complete U.S. sovereignty over the zone. To argue differently is to contend against the overwhelming logic of the practical, realistic conditions required for the success of the canal enterprise; and any other interpretation, as repeatedly shown by events, brings nothing but chaos and bloodshed. If the United States is to do the job that it is obligated to do it must have the adequate authority provided in the 1903 treaty; and nothing less. This policy is not one of colonialism or oppression but one of commonsense and absolute necessity, and is fully understood by informed Panamanians as well as by thoughtful U.S. citizens conversant with isthmian history. The fate of this great enterprise, which means so much to the entire world, must not yield to the radical demands emanating from the pressure of Panamanian political campaigns or the manifest policies of the world revolution movement.

The January 1964 mob assaults on the Canal Zone enabled the entire world to see the dangerous confusion occasioned by the invalid display of the Panama flag in the zone. As recognized by all who understand isthmian conditions, it was inevitable that Panamanians would regard such display as evidence not of "titular sovereignty" but of controlling sovereignty being vested in Panama—the insistence on which was vastly augmented by the display of Panamanian flags in the zone. Thus, the executive policy of uncertainty, vacillation, and weakness, which such display symbolizes, has made the Canal Zone another Cyprus.

It is respectfully submitted that if the administrative officials of the United States had been forthright in dealing with the flag issue and related questions during recent years we would not have had the series of mob violence and fatalities at Panama. Long experience has shown that firmness, in upholding our just and necessary rights on the isthmus, is best for Panama as well as for the United States. Moreover firmness will give a far better image of our country to the world at large.

In this connection it should ever be borne in mind that recognition of any present-day Panamanian claims of sovereignty over the Canal Zone and canal will inevitably end in the complete liquidation of U.S. authority over them and communistic revolutionary power will soon fill the vacuum thus created; witness Cuba and other Communist takeovers. If Soviet control over Cuba could be established and maintained 90 miles off the United States, it can certainly gain control over the Panama Canal if and when our Nation is divested of its authority and control over the Canal Zone and canal. With such loss, all Caribbean, Central, and South American countries will inevitably pass into the Soviet orbit. The only alternative would be a successful nuclear war to destroy Soviet power. Our present policies at Panama are inviting this dreadful situation.

In view of the foregoing and the absolute necessity to clear up immediately the present dangerous confusions over "titular sovereignty"

and to stop needless conjectures on the subject, I reiterate my previous question: Why does the Department of State not prepare and promptly issue a public statement setting forth in clear, understandable terms the definition of "titular sovereignty" as a reversionary interest on the part of Panama in the Canal Zone, which can become vital only in the sole event of the United States abandoning the Panama Canal or failing to meet its treaty obligations for its perpetual maintenance, operation, sanitation, and protection, with payment of annuities in perpetuity to Panama?

An early reply is respectfully requested.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

DEPARTMENT OF STATE,
Washington, April 17, 1964.

DEAR CONGRESSMAN FLOOD: The Secretary has asked me to answer your letter of March 13, 1964, in further reference particularly to the matter of "titular sovereignty" and Mr. William Howard Taft's statements with reference to the rights granted to the United States by the Republic of Panama under the 1903 convention.

In your letter you state that Mr. Dutton's reply of February 18, 1964, to your previous letter of February 6, 1964, was "not adequately responsive in replies to my questions nor, may I say, fully candid." You also stated that we quoted Mr. Taft "in one connection" and ignored "his true meanings and interpretations as expressed in other statements" and that this constituted "special pleading." Let me assure you that the Department is anxious to be fully responsive.

In President-elect Taft's statement at New Orleans on February 9, 1909, which you quote, Mr. Taft carefully stated that—

under the treaty with Panama we are entitled to exercise all the sovereignty and all the rights of sovereignty that we would exercise if we were sovereign, and Panama is excluded from exercising any rights to the contrary of those conceded to us.

This statement by Mr. Taft treated of the matter of which country has the right to "exercise" sovereignty or sovereign rights, as distinguished from which country is the "sovereign" or holds territorial "sovereignty" with respect to the Canal Zone. The Department of State agrees fully with Mr. Taft; he differentiated quite correctly between "sovereignty" and the exercise of sovereignty or sovereign rights as if sovereign. In this context of the right to "exercise" sovereign rights, he spoke quite correctly of the rights to govern the zone, the power to police it, and the power to make the laws in it.

As to the statement by President Taft, on November 16, 1910, which you have also quoted, on the occasion of banquet given by the President of Panama in Panama City, President Taft expressly recognized that the Canal Zone is "part of your country," referring to the Republic of Panama. He said:

We are here to construct, maintain, operate, and defend a world canal, which runs through the heart of your country, and you have given us the necessary sovereignty and jurisdiction over the part of your country occupied by that canal to enable us to do this effectively.

While the statement is not entirely free of ambiguity, we agree with you that, to quote your letter:

These words were not mere offhand remarks by an exhilarated banquet speaker but a deliberately phrased declaration by the President of the United States addressed to Panamanian officials with great candor and for the purpose of avoiding misunderstanding. It reflected the policy of our Government under which the Canal Zone was acquired, the Panama Canal constructed, and has been subsequently maintained, operated, sanitated, and protected.

For this reason, this statement by Mr. Taft is accordingly to be construed consistently with his other statements on the matter, rather than as indicating a departure in policy.

Further, as you have again quoted in your letter, years later when Chief Justice, Mr. Taft stated in *Luckenbach v. United States*, 280 U.S. 173, 177-178 (1930). "Whether the grant in the treaty amounts to a complete cession of territory and dominion to the United States or is so limited that it leaves at least titular sovereignty in the Republic of Panama, is a question which has been the subject of diverging opinions and is much discussed in the briefs."

The Chief Justice found that decision on this point was unnecessary for purposes of the decision in that case, because of "a long continued course of legislative and administrative action" by the United States. It was held in that case, nonetheless, that Canal Zone ports were "foreign ports" within the meaning of section 4009 of the Revised Statutes. Of course, the sentence quoted by you from the opinion of the Chief Justice in the *Luckenbach SS Co.* case "was in nowise in derogation of the views of President Taft" otherwise set forth.

However, nothing in the statements you have quoted from Mr. Taft substantiates the opinion expressed in various parts of your letter that by the 1903 convention the United States was granted "full sovereignty," "exclusive U.S. sovereignty," "complete U.S. sovereignty," "absolute sovereignty." Tomas Arias' statement refers to the cessation on the part of Panama of jurisdiction not sovereignty; Admiral Walker speaks of control and the right to police, preserve order, and to exercise "powers" not sovereignty. The grant to the United States, contained in the 1903 convention, of "all the rights, power, and authority" within the zone and auxiliary lands and waters—

which the United States would possess and exercise if it were the sovereign of the territory within which said lands and waters are located to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority—

has been ample for the purposes indicated in that convention and in successive treaties and agreements between the two countries.

I am sure that your studies of the early history of the canal have brought to your attention President Roosevelt's letter of October 18, 1904, to Mr. Taft, empowering him to visit Panama to attempt to solve certain differences which had, even at that early date, arisen between the Panamanians and ourselves. The visit resulted in the so-called Taft agreement which endured from 1904 until it was replaced in 1924 by a proclamation issued by President Coolidge. As this letter bears on the questions you have raised I enclose it for your ready reference.

In addition, I quote Mr. Taft in a letter to President Roosevelt January 12, 1905, shortly after he had concluded the Taft agreement:

The truth is that while we have all the attributes of sovereignty necessary in the construction, maintenance, and protection of the canal, the very form in which these attributes are conferred in the treaty seems to preserve the titular sovereignty over the Canal Zone in the Republic of Panama, and as we have conceded to us complete judicial and police power and control over the zone and the two ports at the ends of the canal. I can see no reason for creating a resentment on the part of the people of the isthmus by quarreling over that which is dear to them but which to us is of no real moment whatever.

Somewhat later, April 18, 1906, in a statement before the Committee on Interoceanic Canals, Mr. Taft quoted article III of the 1903 convention and then said:

It is peculiar in not conferring sovereignty directly upon the United States, but in giving to the United States the powers which it would have if it were sovereign. This gives rise to the obvious implication that a mere titular sovereignty is reserved in the Panamanian Government. Now, I agree that to the Anglo-Saxon mind a titular sovereignty is like what Governor Allen, of Ohio, once characterized as a "barren ideality," but to the Spanish or Latin mind poetic and sentimental, enjoying the intellectual refinements, and dwelling much on names and forms it is by not means unimportant.

I think that you will agree with me that, regardless of the answer to the question of territorial sovereignty which Chief Justice Taft did not find necessary to resolve in the *Luckenbach* case, the grant of rights by the Republic of Panama to construct, operate, maintain, and defend the canal has been, during the past 60 years, sufficient for the United States to provide the great public service offered by the Panama Canal.

I would have no objection to the publication in full of this letter.

Sincerely yours,

ABRAM CHAYES.

Legal Adviser.

WASHINGTON, *October 18, 1904.*

TO WILLIAM HOWARD TAFT:

SIR: By Executive order of May 9, 1904, I placed under your immediate supervision the work of the Isthmian Canal Commission both in the construction of the canal and in the exercise of such governmental powers as it seemed necessary for the United States to exercise under the treaty with the Republic of Panama in the canal strip. There is ground for believing that the execution of the rights conferred by the treaty the people of Panama have been unduly alarmed at the effect of the establishment of a government in the canal strip by the Commission. Apparently they fear lest the effect be to create out of part of their territory a competing and independent community which shall injuriously affect their business, reduce their revenues and diminish their prestige as a nation. The United States is about to confer on the people of the State of Panama a very great benefit by the expenditure of millions of dollars in the construction of the canal. But this fact must not blind us to the importance of so exercising the authority given us under the treaty with Panama as to avoid creating any suspicion, however unfounded, of our intentions as to the future. We have not the slightest intention of establishing an independent colony in the middle of the State of Panama, or of exercising any greater governmental functions than are necessary to enable

us conveniently and safely to construct, maintain, and operate the canal, under the rights given us by the treaty. Least of all do we desire to interfere with the business and prosperity of the people of Panama. However far a just construction of the treaty might enable us to go, did the exigencies of the case require it, in asserting the equivalent of sovereignty over the canal strip, it is our full intention that the rights which we exercise shall be exercised with all proper care for the honor and interests of the people of Panama. The exercise of such powers as are given us by the treaty within the geographical boundaries of the Republic of Panama may easily, if a real sympathy for both the present and future welfare of the people of Panama is not shown, create distrust of the American Government. This would seriously interfere with the success of our great project in that country. It is of the utmost importance that those who are ultimately responsible for the policy pursued should have at firsthand as trustworthy information as can be obtained in respect to the conditions existing in Panama and the attitude and real interest of the people of that state. After a conference with the Secretary of State and yourself, I have concluded that it will be of great advantage if you can visit the Isthmus of Panama in person and hold a conference with the President and other governmental authorities of the Republic of Panama. You are authorized in doing this to take with you such persons as you desire, familiar with the conditions in the isthmus, who may aid you with their counsel. The earlier you are able to make this visit the better. The Secretary of State will instruct the U.S. Minister at Panama to render you every assistance in his power, and the Governor of the canal strip, General Davis, will, of course, do the same thing. You will advise the President of the Republic what the policy of this Government is to be, and assure him that it is not the purpose of the United States to take advantage of the rights conferred upon it by the treaty to interfere with the welfare and prosperity of the State of Panama, or of the cities of Colón and Panamá. You will make the due report of the result of your visit on your return.

Very truly yours,

ROOSEVELT (Mss.)

APRIL 29, 1964.

HON. DEAN RUSK,
*Secretary of State,
Department of State,
Washington, D.C.*

DEAR MR. SECRETARY: The Department of State letter of April 17, 1964, over the signature of Abram Chayes, Legal Adviser, confirms major points raised by me in a series of letters on the crucial question of U.S. sovereignty and jurisdiction over the Canal Zone and Panama Canal.

As a student of interoceanic canal problems, I concur with Mr. Chayes' statement that the grant of sovereign rights, power, and authority in the 1903 treaty was sufficient for the construction, maintenance, operation, sanitation, and protection of the Panama Canal until ratification in 1939 of the 1936 treaty with Panama, but I challenge the validity of its application to the remaining period of the past 60 years.

Since 1936 there have been serious erosions of U.S. authority under the 1903 treaty through treaty and administrative actions but without impairment of the basic sovereignty and perpetuity provisions set forth in articles II and III of this treaty. The situation on the isthmus, aggravated by the illegal display of the Panama flag in the Canal Zone as "visual evidence of the titular sovereignty of the Republic of Panama" over this U.S. territorial possession, has become acute largely because of the failure of our Government to clarify the dangerous confusions over so-called titular sovereignty.

The Panamanian Government has never claimed titular sovereignty, but, more especially in recent years, it has contended that it has absolute sovereignty and has widely proclaimed our Government's executive actions in displaying the Panama flag in the Canal Zone as proof positive of such complete sovereignty. Thus, both the publicly announced recognition of titular sovereignty by the United States without defining it, and its symbolization by the formal display of Panama flags, were cruel frauds perpetrated largely by Dr. Milton Eisenhower and the Department of State in violation of law, treaty, international usage, and the historic canal policy of the United States.

Regardless of what Mr. Taft may or may not have said on various occasions about titular sovereignty, which he termed a barren idealty, the indubitable fact is that throughout his service, first as Secretary of War and later as President, he invariably applied in practical manner the exclusive sovereignty of the United States. This is illustrated by the purchase by the United States from individual owners of all land and property in the Canal Zone, by President Taft's December 5, 1912, Executive order declaring that "all land and land under water within the limits of the Canal Zone are necessary for the construction, maintenance, operation, protection, and sanitation of the Panama Canal," and the long administration of the Canal Zone as a U.S. Government reservation in which only active employees and their families are allowed to reside.

Such exclusive application was clearly intended by the framers of the 1903 treaty, for they well knew that if there were a division of authority over the canal, the great enterprise would in large degree become a political pawn of a country afflicted by periodic lawlessness, disorder, and revolutionary processes, thereby endangering the tremendously responsible work of the United States.

So understanding the situation Secretary of State Hughes, when faced with Panamanian demands for revision of the 1903 treaty in 1923 stated to the Panamanian Minister in Washington that—

it was an absolute futility for the Panamanian Government to expect any American administration, no matter what it was, any President or any Secretary of State, ever to surrender any part of these rights which the United States had acquired under the treaty of 1903. (Foreign Relations, 1923, vol. III, p. 684.)

It seems to me, Mr. Secretary, that in recent years, and under more than one administration, our position at Panama has been gravely weakened by timid and vacillating policies on the part of our Government and their conduct is so regarded by the world at large. Among the most unfortunate surrenders was authority for enforcing sanitary ordinances and for maintenance of public order in the two terminal cities of Panamá and Colon.

In this general connection, I would stress that in the exercise of our powers of exclusive sovereignty in the Canal Zone prior to the 1936-39 treaty we did not do so with any desire to be unfair to Panama or to evince our superior strength, as partisans and the uninformed have alleged, but only for the purpose of meeting the tremendous responsibilities imposed by the task to which our country is obligated; no more, no less. If we had not possessed and exercised the authority accorded in the 1903 treaty, the practical problems encountered would have forced the obtaining of such exclusive powers, whatever the cost. The world would respect us vastly more if we firmly reiterated our sovereign rights, power, and authority with respect to the Panama Canal enterprise, for which purpose the provisions in House Concurrent Resolution 105 would be a start.

Finally, I wish to make the following four observations:

1. Certainly a new declaration in behalf of our undoubted rights at Panama should be made and followed with respect to the Panama Canal; and all questions now at issue should be governed thereby.

2. Because Mr. Chayes did not answer the key question presented in my March 13, 1964, letter, I reiterate it:

Why does the Department of State not prepare and promptly issue a public statement setting forth in clear, understandable terms the definition of "titular sovereignty" as a reversionary interest on the part of Panama in the Canal Zone, which can become vital only in the sole event of the United States abandoning the Panama Canal or failing to meet its treaty obligations for its perpetual maintenance, operation, sanitation, and protection, with payment of annuities in perpetuity to Panama?

3. Unless and until the preceding question is properly answered and its substance promulgated, the situation at Panama is not going to be satisfactorily resolved and more Red-led Panamanian mob assaults on the Canal Zone can be expected.

4. For such an unfortunate outcome, you will hold the fullest measure of responsibility.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

[From the Congressional Record, 88th Cong., 2d sess., May 21, 1964]

PANAMA CANAL AND THE MILTON EISENHOWER PAPER

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. Flood] is recognized for 60 minutes.

Mr. FLOOD. Mr. Speaker, the Lorraine Room of the Hotel Lafayette in Washington, D.C., at 2:30 p.m. on April 7, 1964, was the scene of an unusual press conference that purported to appraise problems related to the Republic of Panama and the Panama Canal. Attended by Dr. Milton S. Eisenhower, who is a brother of ex-President Eisenhower and now heads Johns Hopkins University, former U.S. Ambassador to Panama Joseph S. Farland, and other members of a so-called Republican Citizens Committee's Critical Issues Council, the conference was promptly followed by a deluge of publicity in the mass news media featuring the first paper issued by this so-called committee under the title of "Panama: A Realistic Appraisal." (For full text see Congressional Record, Apr. 8, 1964, pp. 7193-7196.)

Described the next day in the Congress as "an excellent alternative program for dealing with Panama issue" and as "the very finest contribution of the opposition party to a bipartisan foreign policy and approved editorially in the Washington Post, the Eisenhower statement was obviously intended for propaganda purposes and it was extensively exploited in the press of the United States as well as that of Panama"—Star and Herald, Panama, Republic of Panama, April 8, 1964.

Mr. Speaker, such propaganda exploitation in this era of managed news and controlled press is not accidental but the result of planning to obtain maximum publicity rather than a "realistic appraisal" and clarification that the isthmian situation so urgently needs.

Since then, I have had an opportunity to examine this amazing declaration in greater detail and I find it to be a bewildering muddle of the first order—reckless, unrealistic, and unworthy of serious consideration. In view of the volume of reliable information published in the Congressional Record and elsewhere in recent years on Panama, the Panama Canal, and interoceanic canals generally, it is indeed difficult to understand the failure of Dr. Eisenhower and his collaborators to produce a better informed and more objective paper. It reflects little credit on those who lent their names to give it prestige and I am glad to see from accompanying notes that all members of the self-appointed and unofficial Republican Citizens Committee's Critical Issues Council do not necessarily subscribe in every detail to all the views expressed and that the positions taken by them do not represent official Republican policy.

IMPORTANT POINTS OVERLOOKED OR MINIMIZED

In an effort to be "all things to all people," those who prepared the subject paper on Panama, overlooked certain very important facts.

Because of their importance I shall enumerate some of the more significant:

First. That the Isthmus of Panama has always been, and still is, an area of endless bloody revolution and today is seething with revolutionary communistic activity led by Red agents trained in Cuba and elsewhere, some of whom were observed leading the January mob assaults on the Canal Zone.

Second. That this Red influence is firmly entrenched in the University of Panama and in the Panamanian Government and is all powerful in the formulation of Panamanian foreign policy. This was recently illustrated by the unreasonable and discourteous demand of President Chiari, dictated by some of the Red revolutionaries, to hoist the Panama flag at full mast at the same time the U.S. flag was at half mast in respect to the memory of General MacArthur. This procedure permitted hoisting the Panama flag superior to that of the United States, which display is contrary to the laws of our country. See picture on front page of the April 8, 1964, issue of the Panama Star and Herald.

Third. That the Eisenhower paper does not squarely present the historical fact that Panama is not, and never has been, a nation in the sense of Argentina, Brazil, England, or France, but an artificial creation that grew out of the movement for an Isthmian Canal, and that it was not a partner in the construction of the Panama Canal and is not a partner now.

Fourth. That the paper fails to show that the United States has important treaty obligations with respect to the maintenance, operation, and protection of the Panama Canal with Great Britain and Colombia, as well as with Panama; and, in fact with the entire world.

Fifth. That it ignores the realistic fact that where there is responsibility, such as that involved in the Government of the Canal Zone and the management of the Panama Canal, there must be adequate authority; and that such sovereign authority in perpetuity granted in the 1903 treaty was primarily rooted in the recommendations of the Isthmian Canal Commission and not in the work of the French engineer who became the first Minister of Panama to the United States.

Sixth. That it does not reveal that Dr. Eisenhower and Ambassador Farland were key participants in promoting and executing the illegal display of the Panama flag over the Canal Zone territory in September 1960 in contemptuous disregard of the overwhelming vote—381 to 12—of the House of Representatives in opposition to such display (Congressional Record, Feb. 2, 1960); also of a unanimous vote of the Congress taken after extensive hearings and debates on the Gross amendment (Congressional Record, Feb. 9, 1960) to prohibit such display. The reason for these actions in the Congress was that informed congressional leadership realized that the formal display of the Panama flag within the Canal Zone in recognition of Panamanian "titular sovereignty" was contrary to treaty and international usage, and "charged with dangers that could explode beyond Panama-United States relations," and "be used to arouse anti-American sentiment throughout the hemisphere." This view of the Congress has been absolutely vindicated by subsequent Red-led assaults on the Canal Zone—House Report No. 2218, 86th Congress, page 39.

Seventh. That the paper belittles the status quo, but fails to offer any alternative other than some form of surrender to radical Panamanian demands, and fails to meet such demands with counter proposals; for example, a needed widening of the Canal Zone to include the entire watershed of the Chagres River.

Eighth. That it asserts that the "United States is not sovereign in the zone," which statement is contrary to facts and reflects a pathetic bias or disregard of the view of such eminent statesmen as Secretaries Hay, Root, and Hughes; as well as of former Presidents Theodore Roosevelt and Taft.

Ninth. That it neglects to define the term "titular sovereignty," which was characterized in 1906 by Secretary Taft as a "barren idealty," and the later misuse of which, by elements in our Government, has been a major cause for widespread confusion, as to U.S. sovereignty and jurisdiction over the Canal Zone territory.

Tenth. That the paper overlooks the fact that, in addition to the purchase of sovereignty over the Canal Zone from Panama, the United States obtained ownership of all land and property in the zone from individual owners and that total cost of such acquisition as of March 31, 1964, totals \$144,568,571, making the Panama Canal Zone, when compared to other territorial acquisitions of the United States, the most costly in our history. (See Congressional Record, Apr. 7, 1964, p. 7173.)

Eleventh. That it emphasizes the Canal Zone as a "strip bisecting" Panama but fails to make clear that Panamanians have unrestricted rights to cross the Canal Zone on highways and toll-free facilities constructed and maintained by the United States at its own expense.

Twelfth. That it does not mention that the Canal Zone has often served as a haven of refuge for Panamanians fleeing from violence in Panama and assassination during times of turmoil (Congressional Record, Apr. 9, 1964, p. 7367.)

Thirteenth. That it does not state the fact that the United States, under the 1903 treaty with Panama, is obligated to operate the Panama Canal in perpetuity and that failure to do so would be nonfulfillment of treaty obligations to Panama and open our country to claims by Panama for the perpetual payment of annuities, and vast damages.

Fourteenth. That the paper fails to disclose the fact that Dr. Eisenhower induced his brother, the then President of the United States, to display the Panama flag in the Canal Zone with equal dignity with the U.S. flag, which display was followed and expanded by President Kennedy. This practice, as other Members of the Congress and I predicted, in nowise placated Panama, but became the immediate basis for enlarged and impossible demands, and finally brought about the tragic riots of last January.

In this general connection, Mr. Speaker, I reiterate what I have heretofore said in this Chamber that our Government's handling of the Panama relationship in respect to the canal through recent years has seemed utterly naive and childlike. One after another demand has been granted with resulting erosion of U.S. rights and authority but, apparently, our representatives have never required of Panamanian representatives any assurance that there would be accorded the

United States some reciprocal benefits. Thus, these cessions have resulted not in composing the whole situation of demands and differences involved, but have only led to ever increasing and impossible demands by Panama, thus multiplying these matters of friction. Imagine a Disraeli or a Bismarck acting with such naivete and futility.

DR. EISENHOWER'S MEDDLING RESPONSIBLE FOR STRIKING THE U.S. FLAG

In connection with placement of responsibility for the U.S. flag in the Canal Zone in September 1960, it is important to know that Panama on November 3, 1959, was expecting a U.S. declaration acknowledging Panamanian sovereignty over the Canal Zone; that this expectation was based on conversations of Panamanian Minister of Finance Fernando Eleta on September 13, 1958, with Dr. Milton Eisenhower at the latter's home in Baltimore, and that premature disclosure of these conversations in the press of Panama evoked a formal denial by the Department of State that Dr. Eisenhower had made "any statement which could be construed to commit the U.S. Government to any course of action." (See my address, "Panama Canal: Symbol of Fourth Front," Congressional Record, Jan. 13, 1960.)

Mr. Speaker, I do not wish to be too harsh on Dr. Eisenhower whose unofficial meddling in Panama Canal matters has certainly brought tragic results for both the United States and Panama, but whatever his motives might have been, they were heedless and naive. Undoubtedly, he is chiefly responsible for the proposal to the then President of the United States for the formal display of the Panama flag in the Canal Zone territory in equal dignity with the U.S. flag. He was not an official of our Government, but had the President's ear because of relationship.

Formal approval of Dr. Eisenhower's proposal was a great error of American history; and the total consequences which later resulted are absolute proof of what I have stated. Undoubtedly Dr. Eisenhower would like very much to obtain the seal of approval of his flag performance and the program outlined in his paper, by the two great political parties of our Nation: and thus somewhat salve the wounds that have resulted from his actions.

Napoleon—or Talleyrand—is credited with having said of some tragic incident of his day that "it was worse than a crime—it was a blunder." Perhaps the same commentary applies to Dr. Eisenhower in connection with the initial flag display, for the yielding in this regard by the United States more than in any other matter caused radicals and trouble-hunting Red revolutionaries in Panama to assume that our country was admitting, not titular or reversionary sovereignty, but complete sovereignty of Panama over the Canal Zone. Thus, the later mobs were incubated and hatched in Panama and the Ides of January 1964 eventuated.

Mr. Speaker, in view of the history of Dr. Eisenhower's meddling in the Panama situation, which is well known to the Nation and documented by the informed elements, I do not believe it likely that his efforts to obtain the stamp of approval on the heedless and mistaken proposals of his paper will succeed.

IMMEDIATE TASK OF THE UNITED STATES

Mr. Speaker, the Red led and directed Panamanian assaults on the Canal Zone in January 1964, were a direct challenge to the sovereignty and ownership by the United States of the Panama Canal. As such, it has focused attention of the people of our country on isthmian questions to a greater degree than at any time since the 1898 dash of the *Oregon* around Cape Horn and has caused many of our more thoughtful leaders to reflect.

Before our Government decides upon any program that may involve the ultimate abandonment of the Panama Canal, as suggested in the Eisenhower paper, we must consider what would be lost by such withdrawal. What are the facts?

First. The 1903 treaty was a workable treaty granting indispensable rights, power, and authority under which the canal was constructed and subsequently maintained, operated, and defended.

Second. The existing Panama Canal is a fine canal, which, as has long been foreseen, is now approaching saturation.

Third. We know that it will work and how to maintain and operate it.

Fourth. We know how to increase its capacity and improve its operational efficiency at least cost under existing treaty provisions.

Fifth. We have experienced the abrogation of portions of the 1903 treaty applying to the Republic of Panama, with resultant injuries.

Sixth. We have been required to defend the Canal Zone against organized "lawlessness and disorder" by use of force.

Seventh. We have no other canal treaty except a general one with Nicaragua, which treaty would have to be supplemented with additional conventions with Nicaragua and other adjacent countries for a canal there.

Eighth. We would have to be prepared to defend any canal constructed, maintained, and operated by the United States, wherever it may be located against violence.

To any realistic student of the canal question it must be obvious that if the United States cannot, or will not, stand up for its sovereignty over the Panama Canal which it built at its cost and owns, it will not stand up for one at another location. Indeed, the American taxpayers, who have to provide the funds for another canal, would never authorize such an undertaking if our Government fails to sustain its just and indispensable rights at Panama.

The immediate task of our Government is the safeguarding of our undiluted sovereignty over the Canal Zone and Panama Canal, for if our country fails to hold on to that constitutionally acquired domain under Red-Panamanian pressures, or political opportunism in the United States, it would fail elsewhere. Everything else in this issue is secondary to the Canal Zone sovereignty question.

KEY CANAL QUESTIONS

In addition to the paramount question of sovereignty over the Canal Zone there are other key canal problems. Regardless of how many

times they are stated there are always some who wish them restated and I shall again summarize them. They are:

(a) The increase of capacity and operational efficiency of the present Panama Canal through the adaptation of the third locks project—53 Stat. 1409—to provide a summit-level terminal lake anchorage in the Pacific end of the canal as was approved in principle on November 15, 1945, by the then Governor of the Canal Zone when testifying before the Committee on Merchant Marine and Fisheries for providing increased capacity of the existing Panama Canal—executive hearings on H.R. 4480, 79th Congress, page 9.

(b) The construction of a new Panama Canal of so-called sea-level design, or any modification thereof, to supplant the existing canal.

(c) The construction and ownership, by the United States, of a second canal at another location.

The modernization of the existing Panama Canal mentioned in subparagraph (a) above does not require a new treaty with Panama or additional authority. The other two proposals would require new treaties with Panama or with other countries depending upon the location.

Mr. Speaker, these facts are crucial matters that do not seem to have been adequately appreciated by Dr. Eisenhower and his collaborators. In the Congress, they are understood, have been extensively documented, and will not be overlooked or dismissed as casual matters. Certainly they are not proper subjects for consideration by either ex parte administrative groups or self-appointed, unofficial "experts" in a propaganda drive. They must be considered solely on the basis of merits by an independent body not subject to administrative controls or the needs of party politics.

The Eisenhower paper, indeed, could not have been more slanted or biased in behalf of Panama had it been written by the most radical Panamanians who now formulate Panama policy.

DR. EISENHOWER'S PROPOSED TREATY AMENDMENTS IRRELEVANT

What is the program recommended in Dr. Eisenhower's paper in the way of treaty amendments for meeting these problems?

First. It urges expenditure of \$75 million on temporary canal improvements, which is nothing more than treating operational symptoms rather than removal of their causes. Where such improvements would contribute to the major improvement of the canal they are logical; where they are mere stopgaps they are wrong. Dr. Eisenhower conveniently avoids mention of the fact that the taxpayers expended some \$75 million on a new set of locks for the Panama Canal, and because of suspension of their construction in May 1942, our country received no return for its money except two huge lock site excavations, one at Gatun and another at Miraflores.

Mr. Speaker, these and many other relevant facts will not be overlooked by informed Members of the Congress who are well acquainted with them, especially the Appropriations Committees, which are responsible for the formulation of canal appropriations.

Second. Also, the paper suggests a new treaty providing for construction of a predetermined type of canal—sea level, with or without tidal locks—which has not been the subject of an independent inquiry, and regardless of the costs or consequences. This, indeed, is the height of irresponsibility that will not impress those who have studied the canal question objectively and who cannot be dismissed as incompetent, uninformed, or inexperienced.

Third. The paper also suggests a provision raising tolls 30 percent to enable payment by interoceanic commerce of a \$15 million annuity to Panama. To this, I would ask: What do shipping interests, foreign and domestic, say? This irresponsible and heedless suggestion is characteristic of the utter lack of understanding by the Eisenhower group of the realistic problems involved.

Fourth. It recommends the rotation of civilian employees of the Panama Canal. This is about as sensible as suggesting the periodic exchange of employees of the Pennsylvania Railroad or other great industrial enterprises and it could lead to nothing but chaos. Such a plan would be absolutely unworkable because skilled personnel would not accept employment in a remote area of oppressive humidity under such conditions; and indispensable efficiency would be greatly impaired.

Fifth. The paper would subordinate the operation of the Panama Canal to matters of social reform in Panama. As to this, I would emphasize that Panama's greatest single source of annual income of \$85 million comes from the Canal Zone; that Panama is only one of the countries affected by the Panama Canal; and that the very existence and independence of Panama depend upon the canal.

From my study of Dr. Eisenhower's suggestions for treaty amendments, it appears that he does not know that most of the points suggested by him as treaty amendments are not necessary but are already covered, for example, transit tolls. The fact that increased commerce has enabled the canal to continue relatively low tolls is a tribute to those who formulated the toll policy. The increase proposed in the paper would undoubtedly serve to reduce the volume of shipping through the canal and might altogether destroy the shipping of the United States, which operates at a serious disadvantage through higher wage rates and other items, as compared to foreign merchant marines.

ONE VOICE IN PANAMA?

Mr. Speaker, one of the interesting points raised by Dr. Eisenhower was his suggestion for a single voice on the isthmus in dealing with Panama, when speaking for the President of the United States. This idea is not new.

On one occasion in early Canal Zone history, when faced with the problems of construction of the Panama Canal, the offices of Governor of the Canal Zone and U.S. Minister to Panama were temporarily combined. We then had one voice on the isthmus, and this official reported to the Secretary of War—now Army—but it was not deemed wise at that time to make the practice permanent.

While it is obvious that high officials of our Government on the isthmus should not be at loggerheads, at least in public, the great enterprise of the Panama Canal cannot, and should not, be subordinated to control by some diplomat unduly solicitous about retaining his post and who does not bear any direct responsibility as to the canal. In recent years, our position at Panama has been greatly weakened because our State Department and its agents at Panama have been allowed to formulate policies of appeasement in total disregard of superior, and absolutely indispensable, interests of the Panama Canal enterprise.

My main purpose in mentioning these facts is to show that problems similar to those of today have previously arisen and been met. We can do the same again if we act in the proper spirit, and I would suggest to the officials of our Government that they review this important part of isthmian history.

It would be absolutely fatal to subordinate the Governor of the Canal Zone and President of the Panama Canal Company to the U.S. Ambassador to Panama. If conditions are such that one has to be subordinated in regard to canal questions, it should be the Ambassador and not the Governor.

U.S. CITIZENS AND PATRIOTIC YOUTH IN CANAL ZONE VICIOUSLY ATTACKED

The most unfair and shortsighted aspect of the Eisenhower paper is its slanderous attack on U.S. civilian employees of the canal enterprise, who are the ones who have maintained, operated, and protected the great tropical waterway during three great wars as well as in times of peace.

It compares the alleged "affluent living conditions of U.S. citizens in the zone" with the "abject poverty" in Panama. It does not explain that living conditions among Panamanian masses are among the best in Isthmian and Caribbean regions mainly because of the presence of the canal. Nor does it compare the slums of Panama with the truly palatial residences of wealthy Panamanians, who own practically all of the land areas of Panama and who have the great obligation and duty of betterment of the Panamanian masses.

In this connection, I wish to stress with all my power that when the United States acquired the Canal Zone it was the worst pesthole in the world. After undertaking the canal enterprise, the zone, adjacent cities and adjoining areas were sanitized with complete effectiveness. They thus became models for healthful conditions in the tropics. The houses built for our employees were not palaces but clean, comfortable homes similar to those in every respectable town in the United States. Any properly comprehending person would realize that living conditions in the Canal Zone should be examples for emulation rather than causes for envy and hatred.

When our Government let Panama assume responsibility for maintaining public order and sanitation in the terminal cities, it did not take long for conditions to retrograde. There has been a series of border violence that would never have occurred had the 1903 treaty provision authorizing the United States to intervene not been rescinded. Moreover, following our relinquishment, at Panamanian re-

quest, of the task of supervising sanitation in the two terminal cities, the accumulation of garbage on the streets of these cities has become a national disgrace and a threat to public health.

The suggestion implicit in the Eisenhower paper to remove the contrast between Canal Zone townsites and the slums of Panama, which are just across the boundary, can only be accomplished by reducing living conditions in the zone to those in nearby sections of the Republic.

Mr. Speaker, to this, I would state that the Congress is well informed on this matter and will not permit the lowering of our standards in the zone to those of unfortunate slum dwellers in Panama, for the simple reason that the Panama Canal cannot be maintained, operated, sanitized, and protected by the denizens and habits of isthmian brothels.

The lowest blow of all in the indicated paper was its attempt to blame "deeply entrenched" U.S. citizens in the Canal Zone for creating the danger of border violence and their "17-year-old schoolboys" with having "instigated" the January 1964 riots.

Mr. Speaker, such reckless charges in the paper are utterly without foundation and are foul and cowardly slanders against the people of our country, especially our youth. In this light, it is far more revealing about the authors of these accusations than of their targets. The people of our country will know how to appraise this false and unpatriotic presentation of these incidents. See my address, "Panama Canal: Focus of Power Politics," Congressional Record, March 9, 1964, page 4705.

SUMMATION

In summation, I would stress the following points:

First. The paper is a masterly example of evasion, falsification, and unjustified proposals for placation.

Second. Its proposals, if accepted, would assure the ultimate surrender to radical Panamanian demands, and eventual abandonment by the United States of the Canal Zone and Panama Canal, with the likelihood that, following the example of Cuba, all of Latin America, including Panama, would go down the Communist revolutionary drain.

Third. It fails to present the Canal Zone sovereignty issue in its true light, but follows the Red propaganda that our presence in Panama is wholly colonial and imperialistic in purpose.

Fourth. It does not mention the important question of what should be done to increase the capacity and improve the operational efficiency of the existing Panama Canal.

Fifth. It urges construction of a second canal of predetermined type at some other unnamed location without understanding whether such canal would be as good as the canal we already have.

Sixth. It attempts to transform the Panama Canal into a source for social service funds for Panama, regardless of the vast sums already furnished by our taxpayers to Panama for welfare and other purposes totaling, indeed, many millions.

Seventh. It erroneously alleges that "the United States is not sovereign in the zone" in complete opposition to the views of some of our most eminent statesmen and U.S. policy since 1904 and in absolute opposition to actual practice and controlling policy of

more than 60 years of U.S. occupancy. This allegation invites the query, With how much less authority than it has always exercised in the Canal Zone can the United States efficiently perform the great task that it has always performed?

Mr. Speaker, in two addresses in the House on March 9 and 11, 1964, I dealt at length with the interoceanic canal policy. I would urge all who seek fuller information in these regards to read and study those two statements.

Now that diplomatic relations between Panama and the United States, broken by the former on January 10, have been restored and diplomatic problems are soon to be discussed, they should be approached in the spirit of good will. Instead, we have the situation in which Red revolutionary students at the University of Panama were able to intimidate President Chiari of Panama, and the responsible U.S. authorities, to yield to the demand for the display of the Panama flag in the Canal Zone above that of the United States which had been lowered in tribute to General MacArthur, one of our greatest heroes and a world figure of the first magnitude. It seems that this dishonorable and contemptuous action was approved in the Department of State. No wonder, Mr. Speaker, that Red radicals in Panama at this moment are agitating for removal of the U.S. flag from the zone.

The discourtesy to General MacArthur, while regretted by thoughtful Panamanians, was not accidental but a studied insult to probe and test the strength and fiber of U.S. leadership. As much as anything else in canal history it demonstrates the absolute necessity for the exercise of our Government of complete supremacy in the Canal Zone as provided by treaty and the imperative need for eliminating policies that change with every radical demand that emanates from Red sources in Panama.

Finally, Mr. Speaker, I would stress that the Eisenhower paper reflects an utter lack of understanding of canal problems, and that, if its recommendations were carried out, doing so would bring chaos to Panama, liquidate U.S. sovereignty and ownership of the Panama Canal enterprise, and bring about a vacuum that would be promptly filled by Red revolutionary power, with extinction of Panamanian independence and the dominance of communistic power throughout Latin America. Certainly at this most critical period of world history, any surrender by the United States of its authority over the canal enterprise might well prove fatal to the best interests of all the free nations, and a crime of the first magnitude against humanity itself.

[From the Congressional Record, 88th Cong., 2d sess., June 17, 1964]

CANAL ZONE POLICE: RED INFILTRATION, SABOTAGE, AND TERROR

Mr. FLOOD. Mr. Speaker, in a statement to this body on February 7, 1964, after learning of an announcement by Gov. Robert J. Fleming, Jr., of the Canal Zone, that Panamanian nationals were to be employed as members of the Canal Zone police, I condemned that proposal as certain to lead to Red infiltration of a force charged with the protection of the Canal Zone and Panama Canal, emphasized that such employment of alien Panamanians would include some trained in Cuba in revolutionary terror and sabotage, and denounced the proposal as tantamount to treason—Congressional Record, February 7, 1964, page 2534.

On another occasion, on April 20, 1964, in commenting on the vital importance of roads and avenues of transport across the Canal Zone, as illustrated by the January Red-led attacks on the zone, I asked for an end of all discussion for the transfer of jurisdiction over any corridors on bridges in the Canal Zone to Panama and urged that the United States demand the extension of the zone to include the entire watershed of the Chagres River, as was first recommended in 1916 by the commanding general, U.S. Army in the Canal Zone—Congressional Record, April 20, 1964, page 8401. Under the 1903 treaty the United States is entitled to the entire runoff for canal purposes.

Later, May 26, after an attempted bombing of the Victoria Bridge across the St. Lawrence Seaway near Montreal, I stressed the importance of the retention by the United States of its full and complete control of the Thatcher Ferry Bridge, at Balboa and its approaches—Congressional Record, May 26, 1964, page A2778, all of which are in the Canal Zone.

Was I wrong in my condemnation and denunciation of proposals now under discussion that could invite Red infiltration of the Canal Zone police, encourage acts of sabotage, and facilitate a reign of terror? Let the following facts speak for themselves.

On May 24, 1964, five persons, four Panamanians, and one U.S. citizen, were arrested on an Army post in the Canal Zone for the illegal possession of bombs, which they had manufactured. On reading a report of this in the press, I wrote the Secretary of the Army requesting full information because of the potentially grave hazard that such illegal manufacture and possession of explosives in the Canal Zone imply.

Our military and civil authorities in the zone acted quickly and effectively. The five offenders were tried on May 25 and given sentences of \$100 fines and 30 days in jail.

It is interesting that this incident should have been followed on June 4, 1964, in hearings before the Committee on Merchant Marine and Fisheries by Secretary of the Army Stephen Ailes emphasizing, but for entirely different purposes, the possibility of the canal being put out of commission by "two sticks of dynamite." It is even more significant that at the very moment of the convictions in the Canal Zone and the testimony of the Secretary that elements in our Government including the Governor of the Canal Zone, over whom the Secretary of the Army is charged with supervision, should be continuing their efforts to employ Panamanian citizens in the Canal Zone police force despite the fact that 14,600 Panamanians are now employed in the zone in nonsecurity positions (Congressional Record, May 14, 1964, p. 10966).

Mr. Speaker, could there be anything more contradictory in the conduct of an important personnel policy than the facts just stated? No wonder our country is being made into a diplomatic laughingstock for Panama, Cuba, and other Latin American countries. No wonder our experienced citizens in the Panama Canal enterprise, who know the facts at firsthand and cannot be misled by bureaucratic double-talk or intimidated by official reprisals, have become deeply concerned. They do not wish to see the Canal Zone transformed by piecemeal erosion and infiltration into another Cyprus to encourage a Red takeover through a U.N. operation; and the people of the United States will never permit that to occur if they can get the facts. In the light of all the foregoing, I must repeat what I have so insistently stated in this Chamber on many previous occasions that, if the Panama Canal, which is the key of Western Hemispheric defense, is to be preserved to carry out its legitimate functions, the Congress must save it. Certainly, we cannot rely on the Department of State, which now dominates the Isthmian scene, to contend for upholding the undoubted sovereign rights, power, and authority of our country.

In order to apprise the Nation of the above-indicated developments, I quote my recent exchange of letters with the Department of the Army and the story of the arrest and conviction of the bomb-makers as published in a leading Isthmian paper and commend them for reading by the members and staffs of the cognizant appropriation, investigational, and legislative committees of the House and Senate.

MAY 26, 1964.

HON. STEPHEN AILES,
Secretary of the Army,
The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: A special dispatch from Balboa, C.Z., in the New York Times of May 25, 1964, copy attached, is to the effect that five persons, one U.S. citizen and four Panamanians, are charged with the manufacture of "nipple bombs" on an unidentified Army post.

In order that the Congress may be accurately informed in the premises, full information is desired.

An early reply is respectfully requested.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

DEPARTMENT OF THE ARMY,
Washington, D.C., June 3, 1964.

DEAR MR. FLOOD: This is in reply to your inquiry of May 26, 1964, concerning five persons being charged with the illegal possession of bombs on an Army post.

Information received from military authorities in the Canal Zone reveals that on the night of May 22, 1964, acting on a lead from the Panama National Guard, U.S. Army Forces, Southern Command military police apprehended Gilbert James Marcum, a U.S. civilian employee, at his quarters in Curundu, a subpost of Fort Clayton, C.Z., together with four Panamanian national residents of Panama City. A search of Mr. Marcum's quarters revealed that an upstairs bedroom was being used to manufacture explosives. Black powder and 6-inch sections of 2-inch pipe were being utilized to make homemade bombs. Sixteen completed bombs and 14 in process of fabrication were found in the Government quarters occupied by Mr. Marcum. In addition, 5 pounds of black powder and a supply of chemicals sufficient to prepare 20 pounds of explosives were discovered during the search.

All individuals were taken into custody by the Canal Zone police on charges of illegal possession of explosives and subsequently released to their own custody on \$500 bond posted by the wife of Mr. Marcum.

Mr. Marcum is a U.S. citizen and has been employed in the Canal Zone as a plumber by the U.S. Army since November 25, 1945. His wife is a Panamanian and is not a citizen of the United States.

Mr. Robert A. Samudio, one of the Panamanian nationals apprehended with Mr. Marcum, admitted being a member of the Arias political party and claimed that the bombs were for use in the Republic of Panama for political motives.

Mr. Marcum and the four Panamanian nationals appeared before Canal Zone magistrate on May 25, 1964, and were fined \$100 and given a 30-day jail sentence.

Currently, Mr. Marcum has been suspended from his employment for 30 days and charges are being prepared for his removal from Government employment. However, Mr. Marcum will have an opportunity to submit an appeal should the charges result in an adverse action.

I trust the foregoing will be of assistance. You will be advised of the final action in this case.

Sincerely yours,

JOHN C. F. TILLSON III,
Brigadier General, GS.
Director of Operations, ODCSOPS.

[From the Star and Herald, May 24, 1964]

FIVE ARRESTED IN ZONE MANUFACTURING BOMBS

Four Panamanians and a North American were arrested Friday night in a Curundu home manufacturing explosive bombs with lengths of water pipe.

The five men are free on bail of \$500 each and will appear in Balboa magistrate's court on Monday morning to answer charges of illegal possession of explosives.

Canal Zone police identified the five as Gilbert J. Marcum, 42, a North American civilian employee of the U.S. Army; Jesus D. Arjona, 39; Publio Arjona, 23; Clemente Cespedes, 35; and Roberto Samudio, 35; all Panamanians.

Jesus D. Arjona was a candidate for alternate deputy to the National Assembly on the Panameñista Party ticket in the May 10 national elections. The Panameñista Party is headed by Dr. Arnulfo Arias, who ran for the Presidency. According to an official compilation Arias lost the presidential election to Marco A. Robles, the administration candidate.

Police said U.S. Army authorities received information Friday night that explosive bombs were being manufactured in a residence in Curundu. An immediate investigation at Marcum's quarters disclosed that five persons were engaged in the manufacture of the explosive devices, using lengths of water pipe.

It was learned that when military authorities arrested the 5 men, they also seized 16 of the homemade bombs. The devices are known locally as "nipples" and consist of powder-filled lengths of water pipe fitted with a detonating cap.

Marcum's wife, it was reported, is a sister of the Arjonas arrested in the Curundu home.

[From the Star and Herald, May 26, 1964]

JAIL, FINES FOR FIVE MEN MAKING BOMBS IN ZONE

An American and four Panamanians drew maximum sentences in the Canal Zone today following the discovery of a cache of highly explosive pipe-bombs, dynamite, and other bombmaking equipment in a Curundu home at the weekend.

U.S. Army intelligence officers found 16 bombs, over 50 pounds of explosive "materials," fuses, and lengths of cast iron plumbing pipe in the bedroom of Gilbert James Marcum's home at quarters 2232-A, Curundu, Friday night.

Marcum, 42, an American employed as a plumber by the U.S. Army, drew 30 days in jail and a \$100 fine for his part in the bomb manufacturing. Four Panamanians received similar magistrate's court penalties.

The were Roberto Angel Samudio, 35, unemployed ringleader of the bombmaking group and Marcum's brother-in-law; Jesus Daniel Arjona, 39, reportedly an employee of Tropical Radio and a candidate as an alternate deputy in Panama's recent elections; his brother, Publio Arjona, 23, and Clemente Cespedes, 35, reportedly chief pharmacist at Panama's social security clinic.

Investigating an anonymous tip, the Canal Zone police and Army intelligence officers went to Marcum's home Friday at 9 p.m. and found the Arjona brothers, Samudio, and Cespedes constructing the pipe-bombs at a table in an upstairs bedroom of the four-family wooden house.

Samudio made a lengthy statement to the court which was packed with spectators and reporters and cameramen from Panama.

He said Marcum had "nothing to do with it," and did not know his home was being used to put together bombs.

"I have a cause in Panama. None of these bombs were to be used in the Canal Zone and none of them were to be used against human life. I am a civilized man. Sometime in the future these bombs were to be used against machinery but not against humans," Samudio said.

He said the press, "I think it was *La Prensa*, has told many lies about this. The Americans are not involved."

Marcum claimed he didn't know the bombs were being made Friday until "curiosity got the better of me," Kapinos said. The American employed with the Army as a plumber for the past 20 years, went up to the bedroom shortly before 9.

"I toyed with the idea of calling the police. I don't know whether it was a coincidence but when I got downstairs the Army was already there," Marcum said.

The Arjona brothers and Cespedes told the court they had nothing to say.

Deming said he appreciated Samudio's statement that the bombs weren't for use against humans but "once they were out of his hands how does he know how they were going to be used?"

The judge also asked that one bomb brought into the court as evidence be removed. "I don't want to endanger anyone else," he said. Deming imposed the maximum fine and jail term and told the five they could appeal. They did not.

Lying on the table were 16 completed bombs—each made of 6-inch long, 2-inch round cast iron plumbing pipe and packed with approximately 2 pounds of what one Army officer termed "quick match" explosive.

Each of the finished bombs had short, explosive-packed fuses made of rolled tissue paper and each was bound with several feet of masking tape.

Also found in the raid were 50 pounds of explosives, described by a police sergeant as "highly explosive material," 13½ pounds of mixed explosive, one bomb complete except for the fuse, and several lengths of pipe.

All five men were charged with "keeping explosives without a permit."

This charge specifies, according to the Canal Zone Code—

whoever makes or keeps in the Canal Zone or transports in or across the Canal Zone more than 5 pounds of gunpowder, nitroglycerine, or other highly explosive substances without a permit from the Governor so to do shall be fined not more than \$100 or imprisoned in jail not more than 30 days or both.

The discovery of the bombs and explosives followed several anonymous phone calls to the Canal Zone police last week claiming that bombs had been planted in zone schools. On two occasions the police and Army bomb squads searched schools in Balboa but no bombs were found and the caller escaped apprehension.

All five pleaded guilty to the charges of keeping explosives without permits and all appeared in court after being released at the weekend on \$500 bail each.

But Marcum told Judge John E. Deming he didn't know his house was being used for the manufacture of bombs and explosives. He told the police Samudio approached him last week and asked if he and his companions could use Marcum's Canal Zone home for "certain activities."

The American reportedly agreed but claimed he did so only because Samudio was a relative. He said his house was always open to him and his Panamanian wife's relations.

Marcum's wife "is very much interested in politics and is a strong supporter of Arnulfo Arias," Police Sgt. A. Kapinos told Deming. He said that Samudio "is the brains behind this and controlled the operation."

[From the Congressional Record, 88th Cong., 2d sess., Aug. 12, 1964]

CARIBBEAN CRISIS: CONTINUING STORM SIGNS DEMAND ACTION AGAINST FURTHER PERILS

The **SPEAKER** pro tempore (Mr. Libonati). Under previous order of the House, the gentleman from Pennsylvania [Mr. Flood] is recognized for 60 minutes.

Mr. **FLOOD**. Mr. Speaker, the poet, Thomas Campbell, in "Lochiel's Warning," makes this significant statement: "Coming events cast their shadows before." The truth of this saying has been amply illustrated by a succession of crucial occurrences on the Isthmus of Panama. Clearly foreseen and repeatedly predicted by me in addresses to the Congress, these forecasts gave timely warnings to proper authorities of what subsequently culminated; but whatever satisfaction there may be in having been right, the outcome is, indeed, barren.

The Red-led and directed Panamanian mob assaults on the Canal Zone on January 9-12, 1964, encouraged and facilitated by officials of the Red-infiltrated Government of Panama, were the inevitable consequences of what had preceded and could have been anticipated by anyone who made the effort to collect facts and to evaluate the evidence. Moreover, they could have been entirely avoided had the legislative and executive branches of our Government taken timely preventive action as they should have done.

Denied vital information on Isthmian developments over a long period of time, the people of our country were naturally shocked by the sanguinary violence that featured the Panamanian outbreak. Now, Mr. Speaker, they have learned that, subsequent to the attack, news stories in the major press organs of the United States purporting to relate events of the outbreak were slanted. The result is that growing numbers of our citizens are holding the Department of State accountable for the series of betrayals affecting the Panama Canal, which, over many years, have plagued those charged with responsibility for the efficient maintenance, operation, sanitation, and protection of this key artery of interoceanic commerce.

In view of the publication on June 9, 1964, of the report of the onsite investigation of the January 1964 Panamanian mob assaults by the International Commission of Jurists of Geneva, Switzerland, and its inclusion in an address to this body on June 11 by the distinguished chairman of the Panama Canal Subcommittee, the gentlewoman from Missouri [Mrs. Sullivan], important facts about the riots, as found by a neutral body, are now available—Congressional Record, June 11, 1964, pages 13558-13567. To undo some of the harm inflicted by the mendacious propaganda that characterized most of the publicity following the outbreak, it is still the duty of the press of our country to present all the facts forthrightly and fearlessly. Any representative of the press who wishes to see pictorial evidence of some of the

destruction of American-owned property in the Canal Zone and in Panama during the January 1964 disorders can examine a stack of photographs on a desk in my office. Those who seek additional information from the documentation on the background can get a start by reading my addresses on March 9, 1964, "Panama Canal: Focus of Power Politics"—Congressional Record, March 9, 1964, pages 4705-4718—on May 5, "Under Two Flags: Blunders, Confusion, and Chaos at Panama"—Congressional Record, May 5, 1964, pages 10032-10039—and correlated statements by many other Members of the Congress.

THE 1959 PROGRAM FOR CARIBBEAN SECURITY GAVE TIMELY WARNING

Mr. Speaker, in order to provide necessary perspective for comments to be made later in this address, let us recall proceedings in the Congress in 1959, the year of the Red takeover of Cuba. By that time, the trend of subsequent events in the long-range program for Red conquest of the strategic Caribbean, through the processes of infiltration, subversion, and violence, were clear to any discerning observer of the world revolutionary movement known as the international Communist conspiracy.

In an effort to supply a remedy for meeting the mounting crisis, protecting our vital interests in the Caribbean, and assuring the safety of the Western Hemisphere, I suggested a five-point policy program for our Government. This was outlined in an address by me on August 24, 1959, at Reading, Pa., on "Storm Clouds Over the Caribbean."—Congressional Record, August 26, 1959, page 17062.

In view of what later transpired and the crucial situation now facing our country to the south of us, I repeat the 1959 policy program then advocated and proposed as a plan of action for our agencies of Government. Let me repeat now from my 1959 proposals:

First, announcement that the Monroe Doctrine applies to communistic subversion through penetration and infiltration and veiled motivation, as well as by open and direct effort.

Second, proclamation by our Government that the Canal Zone is constitutionally acquired territory of the United States and that its continued control by this Nation pursuant to treaty and the obligations thus imposed is best for all the Americas, best for the world, and best for interoceanic commerce.

Third, reactivation by the United States of its historic Special Service Squadron based in the Canal Zone, independent of combat forces, under the direct control of the Chief of Naval Operations for continuous display of the flag and other diplomatic missions.

Fourth, announcement that no hostile or other provocative demonstrations of any character will be tolerated in the Canal Zone, from whatever source.

Fifth, clear-cut, nonequivocal reaffirmation of our historic and treaty supported rights and obligations with respect to the Panama Canal and Canal Zone—Congressional Record, August 26, 1959, page 17063.

It will be recalled that when the Canal Zone was "peacefully" invaded in 1958 by well-organized flag-planting raiders from Panama, that our authorities in the Canal Zone, against the advice of some of the zone's most experienced police officials, and for reasons not dis-

closed, supinely acquiesced in permitting the planting of Panamanian flags. Because of this fact, I concluded my August 24, 1959, address with the suggestion to the Panamanian Government that it "take and enforce necessary measures to prevent any further revolutionary forays into the Canal Zone, which, if permitted to occur, may well end in grim tragedy, with grave impairment of relations between the two Governments."

Mr. Speaker, in view of what has eventually occurred in the Canal Zone, could there have been a more accurate statement of predictions, more timely warnings, or a better program for precautionary policy measures?

Mr. Speaker, I repeat that the warnings voiced by me in 1959, the warnings that I have just quoted and which may be found in print as cited, expose the lie behind recent and present claims that the Panamanian violence of last January could not be foreseen. It was foreseen, Mr. Speaker, not only by me but also by other loyal Americans and Panamanians. In fact, as early as July 1963, informed circles in the Canal Zone knew that mob assaults against the zone were being planned by certain Panamanian factions; and this knowledge extended to Latin American embassies in Panama. Moreover, a bus strike in the following November was a clear sign of the approaching storm. The tragedy is that the warnings which were so plainly foreseen were not heeded. We now ask why, and we insist that present danger signs equally plain regarding further perils be heeded.

HOUSE SUPPORTS UNDILUTED U.S. SOVEREIGNTY OVER CANAL ZONE, 1960

Did my 1959 efforts have any visible results on the conduct of our policies affecting the Panama Canal, then recognized as the key target for a Red conquest of the Caribbean? They did not.

Precisely on the day as predicted by me, November 3, 1959, in the midst of the celebration of Panamanian independence from Colombia, mobs from Panama attempted to invade the Canal Zone amidst scenes of wild disorder and violence, overpowering the Canal Zone police and requiring the services of the U.S. Army on the isthmus to repel the invaders. Another attempt by Panamanian mobs to invade the zone on November 28, 1959, also had to be repelled. On the latter occasion, this task was accomplished mainly by the National Guard of Panama.

In an address to the House on January 13, 1960, I reiterated the 1959 five-point program for action, quoted resolutions introduced by me to implement the program and urged meeting the Red challenge of wresting control of the Panama Canal from the United States through the process of nationalization or internationalization—"Panama Canal: Symbol of a Fourth Front"—Congressional Record, January 13, 1960, page 416.

Under the impetus thus attained for some form of remedial action and through the efforts of the Committee on Foreign Affairs, the House, on February 2, 1960, passed House Concurrent Resolution 459, 86th Congress, reaffirming the sovereignty of the United States over the Canal Zone territory by the overwhelming vote of 381 to 12. Transmitted to the Senate and referred to the Committee on Foreign Relations, that body, because of opposition from suspect elements in

the Department of State, did not report the resolution, and this important policy declaration was not submitted to the Senate for proper action as it should have been.

Mr. Speaker, if we consider the magnitude of the incidents that followed that inaction by the Senate, its failure to adopt the House-approved House Concurrent Resolution 459 was crucial, amounting to an abdication by the Senate, to elements in the executive branch of our Government. In effect, the Senate surrendered its constitutional responsibility in the formulation of vital Isthmian Canal policy. Moreover, its effect was an invitation for further lawlessness and disorder on the isthmus, for increased infiltration by Red revolutionaries in Panama and all Latin American countries, and for open contemptuous treatment of the United States by its secret enemies. Submission to political blackmail can only lead to greater demands of like character.

CANAL ZONE, A NO MAN'S LAND

Mr. Speaker, in the preparation of these remarks, I reexamined my file of addresses and statements in the Congressional Record on Caribbean and Panama Canal policy questions made subsequent to adoption by the House on February 2, 1960, of House Concurrent Resolution 459, 86th Congress, on territorial sovereignty. The volume of their documentation in the exposure of timidity, falsification, and unjustified proposals for placating the implacable, is truly shocking.

During the remainder of 1960, in 1961, 1962, and in 1963, I repeated the key points in the plan of action for hemispheric defense, revising as was appropriate; introduced the necessary implementing measures, some of which were cosponsored by distinguished colleagues; and appealed to the Congress and the President to act.

In the interest of an historical record, I now list the dates and titles of major addresses in the House of Representatives or elsewhere carrying the five-point program for vital hemispheric defense or some feature related thereto, and significant documentation:

March 7, 1960: "Hemispheric Security Demands Congressional Reaffirmation of Monroe Doctrine."

April 19, 1960: "Panama Canal: Key Target of Fourth Front."

May 4, 1960: "Hemispheric Security: Congress Must Reaffirm Our Historic Policies."

June 23, 1960: "U.S. Faltering in Caribbean Invites Disaster" (Manion forum).

April 12, 1962: "Monroe Doctrine or Khrushchev Doctrine?"

September 14, 1962: "Caribbean and Isthmian Policies."

September 20, 1962: "Enemy at Our Gate."

October 23, 1963: "Canal Zone Crisis: Plan of Action."

Other addresses in the House that should be read in these general connections include the following:

March 9, 1964: "Panama Canal: Focus of Power Politics."

March 11, 1964: "Panama Canal: Formula for Future Canal Policy."

May 5, 1964: "Under Two Flags: Blunders, Confusion, and Chaos at Panama."

May 21, 1964: "Panama Canal and the Milton Eisenhower Paper."

In spite of these addresses expressing clear warnings, which many Members of the Congress supported on the floor, all the efforts of my colleagues and myself in the House to secure formal actions by the Congress and the executive branch were frustrated. In consequence, the Red advance in the Caribbean gathered momentum in its program of conquest through infiltration, subversion, and negotiation. It progressed to the point where Cuba openly became a Soviet satellite, the strategic Caribbean virtually a Red lake, and the Canal Zone a "no man's land" under two flags, its chaos maintained by State Department vacillation.

The inevitable and easily predictable took place. The previously mentioned Red led and directed Panamanian mob assaults on January 9 to 12, 1964, occurred, amidst scenes of grim tragedy. Panama, the small country that grew out of the movement for an Isthmian Canal, scornfully broke diplomatic relations with the United States, our diplomats ignominiously fled to the Canal Zone for refuge and, for 3 days, that territorial possession of the United States was a sanguinary battleground, featured by disorder, violence, and death, including the killing of our soldiers. The destruction of U.S. property was enormous—"Panama Canal: Focus of Power Politics," Congressional Record, March 9, 1964, page 4535.

To clear up some of the confusions injected into public discussions of the Canal Zone sovereignty question, on January 15, 1964, I entered into what proved to be an extended correspondence with the Department of State and endeavored to secure from that agency a public statement defining the use of the term "titular sovereignty." Unfortunately, the Department of State failed to clarify this ambiguous and misleading term. It merely signifies a reversionary or residual interest on the part of Panama in the Canal Zone in the sole event of abandonment of the Panama Canal by the United States, and nothing else. Moreover, Panama has never, as many confused or uninformed writers have alleged, demanded titular sovereignty but complete and unconditional sovereignty—"Under Two Flags: Blunders, Confusion, and Chaos," Congressional Record, May 5, 1964, pages 10032-10039.

In these connections, Mr. Speaker, may I correct a contention repeated in our general press, and unfortunately recurrent in many school history texts in our country. This contention is that the United States took unfair advantage of Panama in undertaking the construction of the Panama Canal.

On the contrary, over a period of years, the people of Panama, then a department of Colombia, clamored eagerly for a treaty that would enable the United States to build the Panama Canal. When the Colombian Senate in 1903 failed to ratify the Hay-Herrán Treaty with the United States, Panama seceded from Colombia with the result that the Panama Canal Treaty was made with Panama rather than with Colombia. Its favorable terms were the inducement to construct the canal at Panama rather than at Nicaragua.

The facts in this episode of U.S. diplomatic history have been ably set forth in various reliable books. The 1903 treaty with Panama granting the Canal Zone was not against the popular will in Panama as is frequently alleged but was for the best interests of Panama and her people; and many of her citizens obtained jobs in constructing the canal.

DR. MILTON EISENHOWER AND THE PANAMA CANAL

Mr. Speaker, it will be recalled by those who have followed the erosions of U.S. rights in the Canal Zone over the past few years, that Dr. Milton S. Eisenhower, a brother of the then President of the United States, was one of the key figures in promoting the illegal and ill-advised display of the Panama flag in the Canal Zone in September 1960, thereby contributing greatly to the 1964 mob violence. Significantly, this display was done after adjournment of the Congress in utter disregard of the overwhelming vote of the House, 381 to 12, and the unanimous vote of the Congress on the Gross amendment to the 1960 Department of Commerce Appropriation Act (Congressional Record, Feb. 9, 1960, p. 2349).

More than 4 years later, Dr. Eisenhower, on April 7, 1964, issued a press release under the title of "Panama Canal: A Realistic Appraisal" (Congressional Record, Apr. 8, 1964, pp. 7192-7196). Obviously designed to influence the platforms of both major political parties, this paper was featured in the mass news media of the Nation.

In an address to the House on May 21, I undertook to expose the nature of Dr. Eisenhower's unjustified proposals for the diplomatic placation of Panama at the expense of our indispensable rights, power, and authority with respect to the Panama Canal and how his recommendations would assure the ultimate loss of the canal and of any other interoceanic waterway that may be constructed.—"Panama Canal and the Milton Eisenhower Paper" (Congressional Record, May 21, 1964, pp. 11686-11690).

With rare exceptions, this address of mine was ignored by the major newspapers that had publicized the Eisenhower document. Notwithstanding this, the exposure of the fallacies in the Eisenhower proposals, including his preposterous recommendation that tolls be raised 30 percent to cover an increase of the annuity to Panama of \$15 million, aroused patriotic citizens all over the Nation who wish an end to the long series of betrayals at Panama.

U.S. POLICY FAILURES INVITE RED-LED ATTACKS ON CANAL ZONE

Mr. Speaker, as previously indicated following Panamanian mob assaults on the Canal Zone in January, I promptly noted a wide divergence between news reports on isthmian violence as supplied me by eye witnesses in the Canal Zone and the distorted accounts published in most of the major newspapers of the United States.

The most deplorable feature of this mendacious propaganda was the cowardly attempt to place responsibility for precipitating the outbreak on patriotic 17-year-old high school students at Balboa. So I now repeat the points that I have made on other occasions about our fine American youth in the Canal Zone. It was their courageous action in insisting upon the display of the U.S. flag on American territory that alerted the Nation to the enormity of the situation. For their patriotic service in warning the people of our country to the danger in the Canal Zone they should be acclaimed from one end of our Nation to the other for services comparable to those of the heroes of Iwo Jima—"Panama Canal: Focus of Power Politics" (Congressional Record, Mar. 9, 1964, pp. 4705-4718).

What, Mr. Speaker, are the explanations for the January mob attacks on the Canal Zone? Though the entire background is too complicated for detailed recital, the principal factors are simple. They were: first, the illegal display in 1960, and subsequently, of the Panama flag in the zone as visual evidence of so-called Panamanian titular sovereignty, and second, the failure of the Department of State to declare the real meaning of "titular sovereignty"—as previously stated, a mere reversionary or residual interest in the sole event of the United States abandoning the Panama Canal. These two factors together served to create a climate inviting what later occurred and reflect an irresponsibility on the part of high officials of our Government that is, indeed, difficult to comprehend. Are there yet other Alger Hisses in our Government formulating diplomatic policy?

"MANAGED NEWS GOVERNMENT" BY DEPARTMENT OF STATE IN CANAL ZONE

On January 20, 1964, following the mob attack, the Panama Canal organization, in one of its official organs, the Spillway, published a newsstory summarizing significant events during the riots under the title of "What Really Happened." Preceded by a commendation by the Governor of the Canal Zone of his "fellow employees" for their "magnificent record" in maintaining uninterrupted transit of the Panama Canal during the critical period, the article was fair and objective. The Governor's commendation, however, made this ominous comment:

Before the existing crisis is completely resolved an examination will be made of the basic causes of United States-Panama differences. To the extent that I am permitted to do so, I will keep the Panama Canal employees informed of what is going on. You can depend on this.

Mr. Speaker, this implication by the Governor of secret processes concerning the Panama Canal made informed Members of the Congress curious as to what was transpiring. In the context of Panamanian aims, which have been openly and repeatedly declared, what could the "basic causes" of the United States-Panama differences be except sovereignty over the Canal Zone and Panama Canal and matters related to such sovereign rights, powers, and authority, greater and greater benefits, and abrogation of the "perpetuity" provision of the 1903 treaty?

Because of the dangerous confusions generated by raising the Panama flag on the U.S. possession and failure to define at the same time the term "titular sovereignty," which its display was supposed to symbolize, on January 15, 1964, I requested the Secretary of State to supply copies of any orders or statements directing the recognition in 1959 of so-called "titular sovereignty" of Panama over the Canal Zone. In reply, the Department of State supplied me a typed paper entitled "Summary Background: Flying of Panamanian Flag with the U.S. Flag in the Canal Zone by Civilian Authorities, January 20, 1964."

When the January 27 issue of the Spillway appeared, it carried a major article on "The Flag Issue," which all expected to be an objective treatment of the subject. On comparing it with the "Summary Background" supplied me by the Department of State, I noted that the wording of the two statements was identical. A more careful reading showed that both were deceptive.

My inquiries indicate the following facts:

First. Both quote a special Department of State representative then on the isthmus as assuring the President of Panama that the United States recognizes that "titular sovereignty" over the Canal Zone remains with Panama but, significantly, this emissary failed to define that term, thus causing confusion.

Second. Both give a history of the 1959 riots as justification for President Eisenhower's ill-advised 1960 action in approving the illegal display of the Panama flag in the Canal Zone.

Third. Both fail to state, that the initial display of the Panama flag under President Eisenhower's direction and its more profuse display under President Kennedy, were made in violation of law, treaty, and international usage, and that the 1960 display was done after adjournment of the Congress despite the mandate of the House of Representatives—vote 381 to 12—in opposition.

Fourth. Both neglect to describe how Panamanian mobs invaded the Canal Zone, killing our soldiers, endangering the lives of our citizens, destroying property, and threatening canal installations and security of transit.

Fifth. Both attempt, in cowardly manner, to place the blame for the Red-led Panamanian mob assaults on 17-year-old Balboa High School students.

Sixth. Spanish language versions of this hostile propaganda, printed by the Panama Canal organization under the title, "El Asunto de la Bandera," were given wide distribution in Latin America by Panamanians.

Imagine, Mr. Speaker, my shock when later learning that the original draft of "The Flag Issue," prepared by the regular Panama Canal staff after painstaking and time-consuming effort, was destroyed. Moreover, it appears that a managed news account, worked up by an agent of the Department of State in the office of the Governor of the Canal Zone, was the version published in the January 27 Spillway and the basis for the State Department's describing the summary as having been prepared in the Governor's office. The typed copy supplied me by the Department of State, which I promptly challenged, was described by that agency on February 18 as "an accurate account of events of January 9-12, in Panama."

Mr. Speaker, such misleading audacity in obscuring facts is alien to innate American character. The truth is that the Canal Zone, as the key target of Red attacks, was the principal scene of violence and disorder; not Panama. This alone is enough to remove any pretense of the article as an "accurate account." Moreover, it reveals the predilection of its framers and their superiors toward describing this territorial possession of the United States, known as the Canal Zone, as part of Panama.

No wonder, Mr. Speaker, my reluctant correspondents in the Department of State have been evasive and ambiguous in replies to my queries. They well know that the truth about their failures to act in the protection of our just and indispensable sovereign rights, power, and authority in the Canal Zone would bring about universal condemnation by our people. Moreover, many of our loyal citizens

throughout the Nation are demanding a full inquiry by the Congress into the conduct of Panama Canal policies with punitive actions against those guilty of the betrayals and criminal stupidity.

In the light of such outrageous proceedings, is it not pertinent to inquire when only Americans will be on guard in the vital positions involved?

A COALITION CANAL ZONE GOVERNMENT NO SOLUTION

Mr. Speaker, diplomatic discussions between the United States and Panama are now getting underway. Like the Communists under Lenin, Panamanian radicals have disdained to conceal their aims and have loudly proclaimed their ultimate objective for complete and unconditional sovereignty over the Canal Zone territory and Panama Canal. Among their immediate purposes, supported by suspect elements in our Government, are jurisdiction over the Thatcher Ferry Bridge at Balboa, its approaches, and connecting highways; and the employment of alien Panamanians as members of the Canal Zone Police Force, which body is charged with responsibilities in protecting the canal.

In remarks to the House on May 26, 1964, I stressed the importance of retaining full and complete U.S. control over the indicated bridge and its connections, and opposed cession of any corridors across the Canal Zone at any place. It is self-evident, Mr. Speaker, that jurisdiction by Panama over bridges and corridors will result in the zone territory being instantly affected by all future revolutions in Panama, the frequency and violence of which are expected to increase rather than diminish. Moreover, such control by Panama would facilitate the imposition of vehicular tolls over the toll-free bridge, and this predatory objective is now being discussed in high Panamanian circles as a convenient method for extorting additional revenue from the United States.

Mr. Speaker, notwithstanding the obvious fact that such alien control of the new bridge at Balboa across the Pacific entrance channel and corridors through the zone would hamper the proper operation and protection of the Panama Canal, there are some in the United States as well as in Panama who constantly harp on the idea that the passage of 60 years has changed the overall aspects involved in the control, management, operation, and protection of the vital waterway; and that, therefore, the authority of the United States should be substantially liquidated and that Panama should fill the vacuum thus created.

As to such contention, Mr. Speaker, there could be no greater fallacy. Major developments during the past few years in modern weapons and "peaceful" methods of warfare through infiltration, subversion, and terror, have absolutely increased the necessity for retention by the United States of its full rights, power, and authority over the Canal Zone and Panama Canal as provided in the 1903 treaty and for a wider Canal Zone. Among the reasons for this is the fact that the nuclear age constitutes an infinitely greater danger than did the naval gunfire of 60 years ago, when the treaty was promulgated. Indeed, instead of surrendering any of the Canal Zone territory to

Panama, the width of the zone should be extended to include the entire watershed of the Chagres River.

These grim and realistic facts, Mr. Speaker, should always be kept in mind by the treaty-making powers of both Panama and the United States. What do our experienced military and naval leaders have to say about proposals for the surrender of corridors across the Canal Zone? (Congressional Record, May 26, 1964, p. A2778).

As to hiring alien Panamanians as members of the Canal Zone police force, this proposal conforms to the pretakeover tactics of the Red conspiracy and should be denounced as "tantamount to treason" (Congressional Record, Feb. 7, 1964, p. 2534).

Mr. Speaker, Panama has no obligation under treaty to maintain, operate, sanitize, or protect the Panama Canal. This obligation is vested in the United States alone. Thus, it is indispensable that only U.S. citizens be chosen for all security positions. Such a practice is not anti-Panama or anti-Latin American but one of good sense and the best guarantee for security. Any relaxation in this regard will inevitably lead to the employment of those who will infiltrate the ranks of security positions for destructive purposes.

When the picture of events in the Canal Zone since the initial display in September 1960 of the Panama flag in equal dignity with the flag of the United States and as recently disclosed by alarming reports from the zone and Panama, is evaluated, the trend is unmistakable—the formation of a "coalition" Canal Zone Government.

This sinister objective was, in effect, revealed by the determined opposition on the part of loyal members of the Canal Zone police to the hiring of alien Panamanians in this protective force as a serious breach of security.

Mr. Speaker, in the light of modern history, such "coalition" government for the Panama Canal would be fatal, for it would not provide a solution but could only result in confusion and chaos, with our complete abandonment of the Panama Canal. The cases of China, Cuba and many others could be cited as ample warnings of the dangers of "coalition" governments. Moreover, it would bring about unsolvable extraterritorial problems which Theodore Roosevelt and the statesmen of his day sought to prevent forever.

While it may be contended that the plan to hire Panamanians as police has been shelved, the Congress should not be beguiled by such delaying tactics. At this moment, the Panama Canal legal organization is working on plausible amendments to the Canal Zone code to cover such employment, despite the clear intent of the Congress that only U.S. citizens shall be members of forces charged with the protection of the Canal Zone and Panama Canal.

To show the importance of safeguarding the integrity of the Canal Zone police and other security positions, there is the case of a Panamanian who, though a Panama Canal terminal security guard, joined the rioters in January and engaged in sniping into the Canal Zone. He was identified as one Edgar Harrison and, I understand, that an agency of our Government has a film showing him in the act of shooting into the Canal Zone during the riots. Why, I ask, has such information been withheld from our people?

Certainly, Mr. Speaker, such revelations as have been previously documented in many addresses to the Congress are adequate grounds for making major investigations of all aspects of the conduct of Panama Canal policy.

Mr. Speaker, in so urging the Congress, I am not one who would wish to impugn unjustly the motives of those formulating policies on these gravely important matters but if I am worthy at all to be a Member of this body, I am first an American. In these times of crisis, I must be patriotic rather than partisan. So I ask why is it that the cognizant committees of the Congress have failed to institute the vital and necessary investigations? Is it because the Department of State has been able to prevent such actions?

COMING EVENTS CAST THEIR SHADOWS

Mr. Speaker, the maintenance of the authority of the United States over the Panama Canal, which I have so often described as the key target for the Red revolutionary conquest of the Caribbean, is directly related to the security of our naval base at Guantanamo, Cuba, which now has to be protected by battle-equipped marines. What happens to one will inevitably have its impact on the other.

As to Guantanamo, its salubrious climate and commodious protected anchorages, close to deep water, make it the best fleet training facility south of the Chesapeake-southern drill ground area. For these reasons alone, regardless of bases that may be constructed in other Caribbean islands, the weakness of placation-minded diplomatic officials, or the aims of Red collaborators in our Government, Guantanamo should never be surrendered. This view is not a blind following of the past but one that meets the needs of the present and future.

In these connections, the following are now being discussed in Washington and other news centers:

First. The organization of a special U.S. naval force for the Caribbean.

Second. The formulation of a firm policy for U.S. relations with Latin America—U.S. News & World Report, June 1, 1964, page 19.

As to the creation of a special naval force in the Caribbean, there is the helpful precedent of the pre-World War II Special Service Squadron, which was based on the Canal Zone and thus conveniently located for service in either ocean. It was the existence of this naval force which in 1933 enabled our country to support its policies in Cuba without a costly military intervention. We ought to have such a naval unit today, certainly as long as Cuba remains a Soviet satellite.

With regard to the formulation of firmer policies toward Latin America, the fundamentals are the Monroe Doctrine, our Caribbean, and Isthmian Canal policies. The task, therefore, is not the development of something new in the way of policy determination but the clarification and reaffirmation of our historic and tested policies.

Suggestions to pull out of Guantanamo, where our investments run into hundreds of millions of dollars, are neither realistic nor fair to the American taxpayer, regardless of what may be constructed in Puerto Rico. Guantanamo Bay, strategically located on the northern

flank of the Atlantic approaches to the Panama Canal, controls shipping routes to that vital waterway and is indispensable for its protection.

OMINOUS SIGNS DEMAND ACTION

Mr. Speaker, as I have previously indicated on many occasions, the conduct of our policies for Latin American and Caribbean regions over a long period of time has been indecisive and utterly lacking in consistency. Innate North American courtesy and self-restraint have been mistaken for weakness and Red power has advanced into the vacuum created by fumbling, timidity, and betrayals on the part of long suspect elements in our Government. The storm clouds of 1959 have grown larger. Their shadows have ominously extended, far away lightning is seen, and distant mutterings of thunder heard.

To meet the situation in which we face absolute power, our statesmen and the Congress must show absolute fearlessness; and we must do it legally, forthrightly, and decisively.

Accordingly, I reiterate my basic proposals for a reasoned line of action by our Government:

First. Make definite and reaffirm by congressional resolution our historic and fully vindicated policy of the Monroe Doctrine, applying it to intervention through infiltration and revolutionary subversion as well as by armed might.

Second. Clarify, make definite and reaffirm our treaty-based Panama Canal policies by congressional resolution as contemplated in House Concurrent Resolution 105, 88th Congress—Cannon resolution.

Third. Make clear by congressional resolution our Nation's determination to defend the Canal Zone and the Guantanamo Naval Base against all forms of attack and of retaining full and complete control of both as provided by treaty.

Fourth. Reactivate our special naval force in the Caribbean on a permanent basis for diplomatic and other missions.

Fifth. Conduct full and complete congressional investigations of all aspects of the execution of Panama Canal policy, to fix responsibility for policy failures on the individuals directly concerned.

Sixth. Prohibit by statute the employment of aliens in security positions in the Canal Zone.

Seventh. Forbid by legislation the display of any flag in the Canal Zone territory other than the flag of the United States.

Mr. Speaker, in the perspective of more than a decade of close study and observation of the crisis in the Caribbean and Latin America now under Red revolutionary attack focusing on the Panama Canal, it is abundantly clear that only by such forthright actions of our Government—prompt, courageous, and effective—can the badly impaired prestige of our Nation be restored and the cause of Western Hemisphere defense be strengthened.

To these ends, I would appeal to the Congress, especially the cognizant appropriation, investigating, and legislative committees, and the President, to act in the spirit of Cleveland, McKinley, and Theodore Roosevelt when they faced foreign attempts to destroy the au-

thority and integrity of our sister Republics of the Western Hemisphere.

Decisions thus to act may be difficult to make; but they must be made if the cause of Western civilization is to be sustained. In no other way, Mr. Speaker, can our agencies of Government, that is, the Congress and the President, better serve the United States and all the Western World in this crucial era.

Finally, I would stress that in meeting the crisis in the Caribbean, the people of the United States expect the necessary leadership on the part of the Congress and the President. Let us not wait until new blows fall at Panama or elsewhere, but act now.

[From the Congressional Record, 89th Cong., 1st sess., Apr. 1, 1965]

INTEROCEANIC CANAL PROBLEM: INQUIRY OR COVER UP?

Mr. FLOOD. Mr. Speaker, with the opening in 1914 of the Panama Canal, the world had two great interoceanic waterways: Suez and Panama. Shortening voyage routes and strengthening commercial ties among nations, these two arteries of marine transportation today form what may be called an around-the-world canal route. History shows that crises at one inevitably make their impacts on the other.

This interaction was dramatically illustrated following the Suez crisis of 1956, when radicals in the Republic of Panama, aided and abetted by sympathetic international Socialist groups in the United States, set out to alter the diplomatic and juridical foundation of U.S. sovereignty over the Canal Zone and Panama Canal. As all Members of the Congress who have followed the canal question may recall, soon after the Suez crisis I undertook to present to the Nation and the world at large a comprehensive clarification of significant Isthmian Canal policy questions by means of an extended series of carefully documented addresses and statements in this body. These are listed in an extensive bibliography in the Congressional Record of September 2, 1964, under the title: "Isthmian Canal Policy of the United States—Documentation, 1955-64," prepared by my distinguished colleague from Texas [Mr. Thompson], a former chairman of a special Panama Canal Subcommittee and the principal author of the Panama Canal Reorganization Act of 1950.

This bibliography is an indispensable tool for those seeking full information on one of the most gravely important questions now before our country. For this reason, Mr. Speaker, it is commended for the widest possible use, especially among Members of the Congress and the staffs of committees with jurisdiction over key phases of the interoceanic canal problem; officials of the executive branch of our Government; editors and writers; commentators and journalists; educators and librarians.

A careful study of the works cited in this documentation will guard against being misled by self-serving propaganda and official double-talk.

ISTHMIAN QUESTION ALWAYS DRAMATIZED BY CRISES

The history of the development of our isthmian canal policy is too long and complicated for recital here. Its main purposes have been securing the best type of canal at the best site at least cost for the benefit of all nations on terms of equality. Unfortunately the consideration of the weighty problems involved has been lacking in continuity. The resulting gaps, at times, have caused perplexing confusions and uncertainties. Despite such lapses, fatal errors have,

so far, been avoided and the main arguments have been clearly stated, and are better understood by those who have sought reliable information on the subject.

In fact, experience shows that serious attention to the canal questions has seldom been aroused except when some tragic crisis served to force action. The defeat of France in the Franco-Prussian War of 1870 inspired the great French effort at Panama, 1879-89, as a means of offsetting that defeat in war by great projects of peace. The dramatic rush of the U.S.S. *Orgeon* around Cape Horn in 1898 to join our fleet off Santiago de Cuba aroused the entire Nation to the need for an interoceanic canal. The patriotic stand of American schoolchildren in defense of the American flag in front of an American high school on American property at Balboa in 1964, dramatized the long-neglected canal question to a greater degree than any single incident since the dash of the *Oregon*; and the issue is still with us.

Unfortunately, much of the propaganda that followed was ill advised and biased in the interest of groups originating it. Thus, inspired, it has served to mislead many of our people in mountainous waves of words. So like navigators who have passed through a storm with overcast skies, some have lost their true positions and it is up to us in the Congress who have deeply studied the subject to examine the past with the view of determining our future course.

KEY CANAL ISSUES

What are the key interoceanic canal issues that other Members of the Congress and myself have so steadily endeavored to elucidate over a period of years? Though previously stated many times, I shall repeat them primarily for the benefit of new Members:

First, the transcendent responsibility of safeguarding our treaty-based sovereign rights, power, and authority over the Canal Zone that are indispensable for the efficient maintenance, operation, sanitation and protection of the Panama Canal.

Second, the problem of the major increase of capacity and operational improvement of the existing Panama Canal through the modification of the third locks project (53 Stat. 1409) to provide a summit-level-lake anchorage in the Pacific end of the canal to match that at Gatun in the Atlantic sector, on which project some \$75 million was expended before work was discontinued in May 1942.

Third, the matter of constructing a new Panama Canal of so-called sea-level design, or any variation thereof, to replace the existing canal.

Fourth, the subject of the construction and ownership by the United States of a second canal at another site than the Canal Zone.

As emphasized by many who have studied the canal question in its broadest aspects, the determination of basic canal policies is no mere routine task for routine administrative officials but a challenge to the Congress, requiring the services of the best qualified individuals that our country can muster.

To provide such body, Representatives Bow. Hosmer, Thompson of Texas, and I have introduced bills over a period of years to create

the Interoceanic Canals Commission. Invariably, these measures were opposed by routine executive agencies who evidently do not wish any type of inquiry not dominated by themselves. It would seem, Mr. Speaker, that if they were confident of the correctness of their position they would welcome rather than seek to obstruct the type of inquiry that only a capably constituted, independent commission could make.

Furthermore, Mr. Speaker, I would invite special attention of the Congress to a 1944 report by Former Gov. Glen E. Edgerton to the Secretary of War on the "Elimination of Pedro Miguel Locks." In this the Governor stated that the "wisdom of the adoption of the high-level plan in the original construction of the canal is completely established" and recommended a "thorough investigation" of the proposal but warned the Secretary that advocates of a sea-level canal would "oppose unjustifiably" any major improvement of the existing canal. See statement of Senator Thomas E. Martin, Congressional Record, volume 102, part 8, June 21, 1956, page 10756.

Viewed in the light of recent developments, this 1944 warning by Governor Edgerton was, indeed prophetic. What is urgently needed is a rigorous inquiry and not a studied coverup.

PATTERN OF ISTHMIAN CANAL DEBATES

What has been the pattern of Isthmian Canal debates during various canal crises? In 1879, at the Paris Congress called by Ferdinand de Lesseps, the great builder of the Suez Canal, there was a battle of routes over the question of site and a battle of the levels as to type. From 1898 to 1903, there was a second battle of routes, decided in 1902 by passage of the Spooner Act and sealed in 1903 by the Panama revolution, creation of the Republic of Panama and acquisition of the Canal Zone. Between 1904 and 1906 was a second battle of the levels decided by act of Congress, approved June 29, 1906, in favor of the high-level-lake and lock type, which was constructed and has been successfully operated for half a century.

Though these important decisions by our Government were made only after the fullest consideration by some of the ablest men that our country ever produced and full debates in the Congress, the issue of type of canal did not die but gradually and quietly revived. A few years after the Panama Canal was opened Gov. Jay J. Morrow in a letter on May 31, 1924, to former Chief Engineer John F. Stevens, made this significant statement:

The sea-level project is a hardy perennial, and apparently there will always be someone to argue for it, no matter how often the impossibility of realizing any such scheme within practicable limits of time and cost may be demonstrated.

Recent history certainly justifies this foretelling statement, for the "hardy perennial" is still with us.

The arguments always used for it are military. In 1904-06, it was the alleged "vulnerability" of the high-level type to naval gunfire; in 1939, it was the danger of enemy bombing attack that led to the separation of the proposed new parallel locks in the third locks project a short distance away from the existing locks and the inclusion of the undisclosed objective of a sea-level canal in the third locks project,

without specific authorization by the Congress; and in 1945-47, it was alleged greater security of the sea-level type against destruction by nuclear attack. Because the A-bomb scare propaganda did not fool President Truman and the Congress in 1947, the protagonists of the sea-level idea changed tactics in 1964 and their spokesman alleged that even two sticks of dynamite could destroy the existing canal and at the same time were employing alien Panamanians in the Canal Zone Police Force.

These advocates never mention the obvious fact that nothing can be constructed of indestructible proportions, that the greatest dangers in any type of canal at Panama are massive slides into the channel where it crosses the Isthmian cordillera and that the true criterion for judgment as to type, as expressly General Abbot in 1905, is still the ease and safety of transit.

In all the propaganda for a sea-level canal on the present site there are repeated references to the so-called vulnerability of existing locks but complete exclusion of the fact that Gaillard cut constitutes a much greater feature of vulnerability because, if closed by nuclear attack, it could take years under peace conditions to reopen. If deepened, as in the contemplated sea-level project, slides in massive proportions would undoubtedly occur, exceeding those during the construction era and some since 1914. Why are these facts ignored in all official representations on the subject?

Mr. Speaker, in these light years the time has certainly come to stop trying to humbug the Congress and the people of our country with specious arguments and deceptive slogans, and to adopt canal policies based not upon hypothetical assumptions but on realities and plain commonsense.

EVASION OFFERS NO SOLUTION

The initial reaction of the President to the violent Panamanian challenge of U.S. treaty rights and obligations, as represented by the Red-led January 1964 mob assaults on the Canal Zone, were in line with the highest American traditions and U.S. vital interests as has been set forth in many addresses by various Members of the Congress. Moreover, his statements were relied upon by patriots in the United States and other countries, who understand Isthmian problems and wish to see preserved the just and indispensable rights of the United States over the Panama Canal enterprise. Also, distinguished Members of the Congress warned responsible officials of the administration as to the type of advice they should follow to guard against making serious policy mistakes. I feel honored to have been among those singled out as qualified to advise the President on this crucial subject.

With subsidence of the crisis, the urgency of the situation decreased, culminating in two most significant, but unfortunate, official moves.

The first of these was the enactment of Public Law 88-609, approved September 22, 1964—78 Stat. 990. This law, in complete disregard of costs and other consequences, authorized a study of one predetermined solution of the interoceanic canal problem long advocated by a small professional group and certain industrial interests that would benefit from a vast sea level undertaking; and this to the exclusion of the solution that experienced engineers and other canal

experts consider to be the best when the problem is evaluated from all significant angles.

The so-called commission from civil life provided by the law to make the inquiry is not an independent body with members of special qualifications made secure by the advice and consent of the Senate for their appointments and provisions for salaries but merely a part-time consulting board subject to bureaucratic hiring and firing as was the Board of Engineering Consultants for the 1946-47 Isthmian Canal studies. Moreover, there is no doubt that the efforts of the recently created Board will be directed toward rescuing the discredited 1947 report recommending the construction of only a sea level project in the Canal Zone—a report that failed to secure Presidential approval and was ignored by the Congress because of the fallacious assumptions on which its recommendations were based.

As proof of my assertions as to endeavors of this so-called commission from civil life, it is to be noted that, under the recent directive of the President and in the failure to appoint the so-called commission provided by the recent enactment, Secretary of the Army Ailes and Assistant Secretary of State Mann with Ambassador Anderson have recently visited Central American countries concerning the building of a new canal. Thus, under the indicated statutes, the entire investigation and recommendations are in the hands of officials committed in advance to one type of canal and to the exclusion of even the slightest consideration of the proposal deemed best by many independent engineers and other canal experts as well as by various informed Members of this body.

Undoubtedly, in a matter of such grave consequence all realistic proposals should be considered and none excluded. The recently enacted law is restrictive and arbitrary in its purpose and effect and is unjust to the Congress and the people of our country and, by its own terms, prevents consideration of key canal issues that must be met. Accordingly, I voted against it.

The second move by our Government was the announcement by the President on December 18, 1964, of the decision to negotiate an entirely new treaty on the Panama Canal that should recognize the sovereignty of Panama—whatever that may mean. Thus, the extreme Panamanian demands, formulated by radicals and subversives in Panama were accepted with reliance on members of the administration for counsel and recommendations and are in absolute contravention of the President's initial position.

Mr. Speaker, these two policy moves together are diametrically opposed to the considered views of many Members of the Congress who, over the years, have expressed themselves, and counter to the conclusions of experienced engineers, nuclear experts, and others who have studied the subject and cannot be dismissed as incompetent or uninformed.

With regard to the idea of a canal at sea level, the 1906 message of President Theodore Roosevelt to the Congress is still illuminating, for, with minor changes it is just as applicable today as it was when written. For this reason, I quote it at the end of this address and invite attention to the way President Theodore Roosevelt dismissed the contentions of sea-level advocates which were just as lacking in candor then as they are today.

As to the matter of Panamanian demands for sovereignty, I would quote the 1923 statement of Secretary of State Hughes to the Panamanian Minister in Washington when faced with a similar crisis:

It was an absolute futility for the Panamanian Government to expect any American administration, no matter what it was, any President or any Secretary of State, ever to surrender any part of these rights which the United States had acquired under the treaty of 1903 (*Foreign Relations*, 1923, vol. III, p. 684).

In view of the critical situation now obtaining in the Caribbean, it is indeed strange that some high official of our Government has not taken an equally forthright stand. Certainly, evasion offers no safeguard against disaster.

The overall and established policies of the United States in these connections have been wise and just. The Panama Canal could not have been efficiently operated through all these years with any less authority than that which has been exercised by our Government and as accorded by the treaty of 1903. Nor can it continue to operate efficiently under two flags.

PANAMA CANAL STILL KEY TARGET FOR RED CONQUEST

More than a year ago, after the school flag incident in Balboa, Red-led Panamanian mobs, on January 9-12, 1964, attempted to invade the Canal Zone in what would undoubtedly have been a bath of destruction, murder, and rape had it not been for the courageous actions of our Armed Forces in defending the Canal Zone under the able leadership of Gen. Andrew P. O'Meara, commander in chief, Caribbean Command. It was the mass of factual information as listed in my colleague's documentation, previously mentioned, that supplied the cushion of knowledge that enabled our Government to withstand the shock of the Panamanian mob attack unflinchingly, despite much hostile propaganda against the United States carried over our own mass news media.

What our people were not told is that wresting control of the Panama Canal from the United States and its internationalization have been Red objectives since 1917; that Alger Hiss, when in the State Department, and against the express wishes of Assistant Secretary Spruille Braden, officially reported the Canal Zone as an "occupied" area; that there was heavy Red infiltration in the Panamanian Government; and that the Panama Canal is still the prime target in the program for Red conquest of the Caribbean and other strategic transportation lifelines of the world.

These facts, Mr. Speaker, must never be overlooked in appraising our situation at Panama for we do so at our peril. All of this and more, I have repeatedly emphasized in the last several years in this Chamber; and the most recent news from Moscow is that the Communist Party newspaper, *Pravda*, on January 14, 1965, "pledged Soviet support for anti-U.S. movements in Latin America today." The latest evaluation on "Soviet Military Strength in Cuba" is given in the March 1, 1965, Washington Report of the American Security Council. Could there be a more effective validation for what I have repeatedly warned? I would prefer to have children from our American high schools to formulate our canal policies rather than hidden appeasers and sappers in the executive departments.

VITAL INFORMATION DENIED THE CONGRESS

How did the unfortunate steps as just enumerated take place? I do not know the full story but do know part of it, which I shall relate.

On June 4, 1964, the Committee on Merchant Marine and Fisheries conducted public hearings on S. 2701, 88th Congress, the "administration" bill, undoubtedly drafted by advocates of a sea level project who well know the weakness of their position. After testimony by Secretary of the Army Ailes, Assistant Secretary of State Mann, and Chairman Seaborg, of the Atomic Energy Commission, on invitation of the chairman, I made an oral statement and submitted a written one in opposition. The impact of my testimony was obvious, with evidence of approval on the part of certain members of the committee and indications of great interest and even concern among members of the press and others who were present.

When the mass news media published the story of the hearing, the statements of the three administration witnesses were featured but, so far as I have been able to ascertain, not one word was published about my own. Later efforts by me to obtain copies of the hearings were not productive, and these hearings still have not been published.

Then followed a series of events which, whether by design or not, were astounding:

First. Attempt on August 12 by the chairman of the Committee on Merchant Marine and Fisheries to suspend the rules of the House and secure immediate action on S. 2701, which move was temporarily blocked by an objection.

Second. Passage of the House on September 1, under the procedure—suspension of rules—of S. 2701, without the benefit of published hearings and without adequate debate, which passage was followed immediately by a flood of supporting propaganda supplied by administration sources in all major news media.

Third. Later publication, under the cognizance of the Canal Zone government, of a voluminous bibliography on the Panama Canal for obvious major propaganda purposes for general consumption, including libraries, schools, and colleges. This impressive-looking publication, so far as I can see, lists only one 1956 address by me: "John F. Stevens: basic architect of the Panama Canal," which address was purely historical. As a consequence, I have addressed a letter to the Secretary of the Army inviting his attention to these omissions and requesting correction. The text of my letter will be found at the end of this address, together with the Secretary's reply thereto and my rejoinder.

At this point, Mr. Speaker, may I ask: Why is that investigational committees of the Congress have not delved into the conduct of our Panama Canal policies? If one would do so, it may make some startling discoveries affecting the security of the Western Hemisphere and thus be able to perform much-needed service for the security of the Western Hemisphere.

INFORMED CONGRESSIONAL VIEWS IGNORED

When the many addresses and statements on interoceanic canal problems over the last decade by other Members of the Congress and

myself are studied as to specific issues and compared with administrative actions or proposals, the record is truly shocking.

As to the crucial question of sovereignty over the Canal Zone, my colleagues and I have strongly urged the reaffirmation by the Congress of our undiluted and indispensable sovereign rights, powers, and authority and opposed the formal display of the Panama flag over the zone. President Eisenhower, apparently influenced by his brother Milton, in 1960, authorized such display in one spot as evidence of "titular sovereignty" of Panama in contempt of the overwhelming vote—381 to 12—of the House on this subject; and such display was later expanded by President Kennedy. Manifestly, there cannot be two sovereigns in one territory and, if the United States does not have sovereignty over the Canal Zone, then we are squatters and have no right there at all.

In regard to the confusing term of "titular sovereignty," we have repeatedly requested an official definition of what it is: a reversionary interest that can become vital only upon our abandonment of the canal. The Department of State has ignored these requests, leaving matters in confusion and thereby inviting mob violence, and the end does not seem in sight.

With respect to our responsibility of protecting the Panama Canal, we have protested the employment of aliens on the Canal Zone police force—recommended by the State Department—as being "tantamount to treason." The Canal Zone government has now employed alien Panamanians as members of this protective body.

As to the Panama Railroad, we urge its continued operation and improvement as an important adjunct to the canal, especially in times of disaster. One Governor of the Canal Zone attempted to liquidate it until blocked by an independent inquiry by the House.

In regard to major piers at Cristobal, we opposed their transfer to Panamanian jurisdiction. Elements in our Government endeavored, nevertheless, to make such transfer until blocked by law.

With respect to providing a much needed transit capacity, we urged the major increase of capacity and operational efficiency of the existing Panama Canal to supply the best canal for the transit of vessels, all at least cost and not involving a new treaty with Panama. Elements in our Government secured legislation authorizing an investigation only of their own predetermined objective and excluding what many independent authorities consider the best solution.

As to the diplomatic problems involved, we emphasized the diplomatic angles of the overall canal question as being of vital importance, if not paramount. Faceless planners have started a program that ignores the seriousness of the diplomatic problems involved and this program, unless counteracted, is certain to open a Pandora box of difficulties, the extent of which cannot be forecast.

In regard to news, we have endeavored over the years, by every means at our disposal, to supply the Nation with the fullest information on the entire subject in a forthright and objective manner. Under the prevailing system of managed news, the mass news media has ignored practically all that has thus been said, and published only matter supporting the objectives of certain interests. In fact, what

has been disseminated as news has been nothing but inspired propaganda intended to mislead the people of our country.

In marshaling facts on these vital canal questions, we have made only documentable assertions and not one has ever been challenged in the Congress or elsewhere. Elements in our Government have treated our irrefutable statements with a studied silence, which has been reflected in our heedless press.

As to the crucial matter of securing the proper type of investigation, we have urged over a period of years the creation of an independent Interoceanic Canals Commission. Elements in our Government have steadily opposed this idea and brought about passage of a law authorizing the conduct of the needed inquiry by a part-time consulting board, erroneously called a commission, which they will control.

The pattern thus created is obvious:

First. Delay, confusion, or ignoring of crucial issues.

Second. Refusal to consider the canal question on the basis of merit.

Third. Circumvention of the Congress by irregular, if not illegal, procedures.

Fourth. Management of news with the evident purpose of preventing informed public consideration and discussion.

Fifth. Disregard of the principles of Public Law 841, 81st Congress, the purposes of which were to improve the management of the canal and to place it on a self-sustaining basis.

In the light of the above record, the marvel is that the Panama Canal has been able to survive at all.

Evidently, planners in the State Department have in mind the building of a misnamed sea level canal near the present site at vast cost to the American taxpayers and then to turn it over to an international body for operation and maintenance under terms and conditions acceptable to Panama. As to these, the Congress and the people of the country are entitled to have definite information in advance and not after a new canal is built.

CONGRESS MUST NOT ABDICATE ITS POWERS

The record of documentable developments at Panama over a long period of time has been one of piecemeal liquidation of U.S. authority, which is now reached dangerous proportions. In view of what has occurred prior and since June 4, 1964, it should not be overlooked that, as already stated, it was Alger Hiss himself who, in 1946, listed the Canal Zone possession of the United States as an "occupied area," which meant that our control over the zone was only provisional or temporary. What has taken place in the years following the action of Hiss could not have been better calculated to bring about the eventual internationalization of the Panama Canal as urged by John Reed, the notorious American Communist in 1917 in Petrograd, and which has ever since been Soviet policy. Moreover, the passage of Public Law 88-609, 88th Congress, in 1964 has, by its terms, placed the stamp of congressional approval on the objective for ending U.S. jurisdiction over the Canal Zone territory in favor of some form of international-

ization, all at the expense of the American taxpayer and the users who will have to pay tolls.

In these general connections, Mr. Speaker, I would invite special attention of the Congress to the obvious fact that most of the so-called alternate canal projects are not realistic proposals but merely "straw projects" in a fake "horserace" for propaganda purposes, and that in the end the site decided upon under the recent statute will be in the Canal Zone.

Why all this shadow boxing and hypocrisy? Whom are they trying to bamboozle or mislead? Certainly, the President of Nicaragua was not fooled thereby for he recently stated that Panama would get the new canal.

Consequently, even if the recommendation under the 1964 law is for a sea level project in the Canal Zone, such recommendation will not solve the issue but merely focus it on the old one of the major improvement of the existing canal or its replacement with a new tidal lock canal; and that the final decision will still require mature and experienced judgment by independent experts. The present study, by excluding consideration of economic, commonsense solutions, will inevitably serve to waste valuable time for a decision that ought to have been made years ago, as recommended by Secretary of the Navy Knox, supported by his successor, Secretary Forrestal, and approved by President Franklin D. Roosevelt as a postwar project.

Also, Mr. Speaker, I may add that the studies under the recent act have not, and will not, deceive alert leaders of Central America and Panama but only the people of the United States who have been denied the full story by the process of suppression but are gradually getting wise to what is being attempted.

The claim has been made that changed conditions justify a new canal policy. Times, indeed, have changed, but certainly not for the better as shown by subversive infiltration in every government of the Western Hemisphere, including our own; and as also shown by the establishment and maintenance of the Red beachhead in Cuba. Most certainly, this is no time to surrender any of our authority over the Panama Canal enterprise, for the inevitable outcome would be Soviet control of the canal and the ultimate subversion of all Latin American governments, including that of Panama.

To say the least, our Government has been most unfortunate in some of its advisers, because, in realistic effect, what has been done constitutes a loss of the legitimate interests of the United States. Besides, it indicates a recent and ominous willingness by the Congress to abdicate its constitutional functions as the ultimate authority in the canal question in favor of the executive branch by actions which, if not corrected, will be a coverup instead of an inquiry and can only serve to cause further delay and ultimate surrender.

Mr. Speaker, whether or not the statements I have made will register with the Congress and the American people, I do not know. However, I do know that as a Member of this body and because of my special knowledge, I have a duty to perform—namely, to give to the Congress and the Nation at large—the information and judgment that I have on this subject; and this I do without evasion or mental reservation, let the consequences be what they may.

A partial documentation follows:

[From the Washington Post, Jan. 15, 1965]

RUSSIA TO BACK ANTI-U.S. DRIVES

Moscow, January 14.—The Communist Party newspaper Pravda pledged Soviet support for anti-U.S. movements in Latin America today.

Pravda said that all the Latin American countries were united in "one historical goal—liberation from the oppression of the imperialists, above all the imperialists of the United States. * * *"

It said the "Soviet people consider, as they always did, that their sacred duty is to render support to the peoples defending their independence."

[From the Washington Report, Mar. 1, 1965]

SOVIET MILITARY STRENGTH IN CUBA

(By DeWitt Copp)

While global attention is focused on the Far East, critical problems closer to home are all but forgotten. One of these problems is Cuba, and the Soviet military presence there. What is happening in both Vietnam and Cuba emanates from the same source. The only real difference between the two is one of geographic proximity.

On September 4, 1962, a White House statement declared: "Should it ever be determined that there are Soviet troops in Cuba, the gravest consequences would arise." Today, 2½ years later, Soviet troops remain in Cuba and certainly the gravest consequences have resulted, although not in the context of the original statement.

In November 1964, KBG officers, working out of the Soviet Embassy in Havana, summoned Communist Party delegates from 22 Western Hemisphere countries to a secret conclave in Cuba. The decisions made at this conference were announced by Tass, the Soviet News Agency, on January 18, 1965. The communique detailed the Kremlin's peaceful coexistence plans for Latin America. Local Communist organizations and Parties were to line up in a solidarity movement with Cuba in pushing for a number of goals, key of which "is the achievement of the Cuban revolution in all spheres." The six specific spheres listed for 1965 are Venezuela, Colombia, Paraguay, Guatemala, Honduras, and Haiti. There are presently Communist guerrillas operating in Venezuela, Colombia, and Guatemala.

Castro's official news agency, Revolucion, spelled out the ultimate goal by saying that "Venezuela and Colombia form the embryos of a vast Vietnam of Latin America." In Havana this concept is referred to as the "Cuban corollary."

THE SOVIET MILITARY BUILDUP

In evaluating the determination of the Communists to move aggressively for more takeovers in Latin America, it is helpful to know the Soviet military strength in Cuba. We asked Paul Bethel, executive secretary of the Citizens Committee for a Free Cuba for his appraisal of Soviet military strength in Cuba. His report follows:

For the past 2 years, official Cuban statements and underground intelligence reports have recounted the story of constant military construction being carried out in Cuba by the Soviets. Those sources have been supplemented by literally hundreds of interviews with Cuban escapees from all walks of life—defectors from Castro's military and diplomatic services; farmers, laborers, fishermen, to name a few. What emerges from a sober evaluation of all types of intelligence is that, unchallenged since the 1962 missile crisis, the Soviets have converted Cuba into an immense military establishment which is directly under their control.

The Soviets took over the operation of Cuba's major cement-producing plants in 1962 and have never relinquished control. It is estimated that 90 percent of all Cuba's cement and building materials has gone into military preparations.

One result is that military installations literally crisscross the island. Many are underground so as to exploit Cuba's extensive cave complexes, some of which run 10 miles and more in length. It is our belief from knowledge available to us that medium-range ballistic missiles are presently housed in certain caves.

Canadian Newspaperman Bruce Taylor, who journeyed 2,000 miles around the island in 1964, recapitulated the missile situation as follows in the Montreal Star:

"The Russians say that they have removed their intercontinental atomic missiles from Cuba, but underground leaders there insist that some remain, that they have seen them, and that they are well hidden from the spying cameras of the U-2's."

An explosion at the La Guatana missile base in Pinar del Rio last year, turned up a significant bit of evidence. Two eye-witnesses to the blast, which killed and wounded over 100 Soviet soldiers, established that a strange gelatinous material was scattered over a wide area by the explosion. When lighted, the material burned profusely, a characteristic of solid-fuel propellant for ballistic missiles. Four other eyewitnesses saw the frantic removal of missiles described as between 120 and 160 feet in length to El Incino military base.

Virtually all of the important details related by eyewitnesses were corroborated independently by a carefully documented intelligence report from the Cuban underground. Such corroboration is needed in most instances, since many eyewitnesses lack sufficient knowledge to identify the variety of missile types now in Cuba.

Other hard evidence of underground construction obtained from three refugees involves subterranean airplane hangars. One, Jose Dans Reyes, a mason's helper, escaped from virtual imprisonment a year ago and told of his work on an underground plane depot in Oriente Province, designed to hold about "a dozen bombers." He described the concrete top of the hangar as "80 inches thick, with reinforced steel rods 2 inches in diameter." Since then, intelligence reports from inside Cuba claim to have located two other such hangars—one in the central Province of Camaguey, and another in the westernmost Province of Pinar del Rio. They report that today these hangars house bombers.

Information varies regarding the numbers and organization of Soviet troops in Cuba. Some of it comes from Pentagon sources, some from underground sources, and some is evaluated from interrogating escapees. There is wide divergence as to the numbers, with the State Department claiming the extraordinarily low figure of "about 2,000" and the Pentagon declining in general to enter the "number game."

However, Pentagon spokesmen say that 24 ground-to-air missile installations have been identified in Cuba. Cuban underground intelligence sources agree, and maintain that they are manned by 6,000 Soviet soldiers and military technicians, with 2,000 of that number located on the Isle of Pines. The latter are also in command of land-to-sea cruiser missiles.

There are four Soviet tank battalions in Cuba, and an unknown quantity of armored amphibious vehicles, with all-Soviet crews.

Underground intelligence reports place the number of Soviet military technicians (i.e. soldiers) in command of radar and missile-detection system at around 4,000.

The largest organized force of Soviet troops reported by the Cuban underground is a motorized infantry division consisting of what are described as between 16,000 and 18,000 "select Soviet troops." The division reportedly is broken up into small, highly mobile units which maneuver almost exclusively at night, and have the capability of moving swiftly against landing parties. In addition they are considered to be a potent, and calculated, factor in internal intimidation, in itself a military consideration for the unpopular and heavy-handed Soviets.

A maginot-type line, approximately 30 miles long has been constructed at a cost of between \$15 and \$20 million around our Guantanamo Naval Base. Its front

line is manned by Cuban infantry, but dug into the hills behind are Soviet troops. Their strength is unknown, and can only be guessed at by the number of trucks carrying food to them. This presently ranges from a minimum of 5 truckloads of food per week at one point to a maximum of 30 at another.

As to airpower, the January 9, 1965, issue of Cuba's military magazine, Verde Olivo, published pictures of Mig 15's, 17's, 19's and late model Mig 21's. Pentagon and Cuban underground intelligence sources are in general agreement that there are about 150 of these planes in Cuba. Furthermore, Cuban sources insist these planes are piloted exclusively by Russians.

IS HISTORY REPEATING ITSELF?

The body of evidence gathered over a 2-year period does not substantiate official Washington statements: (1) that the Soviets have retired most of their troops from Cuba with a diminished military interest in the island, or the concomitant proposition, (2) that the Soviets intend to drop their Caribbean satellite as an expensive and troublesome burden. The latter theory seems to have been demolished by the intent expressed in the Tass communique of January 18, 1965.

Even taking into consideration a divergence in figures on Soviet troops in Cuba, Russian military activities display at the very least an extremely disturbing air of permanency, even to the point of confirmed information that young Soviet recruits are undergoing training in Torrens, near Havana. This attitude probably stems from a sense of security on the part of the Russians that the Soviet base is militarily protected by the latest in Soviet armaments, and that U.S. policy has come to accept that permanency.

On two different occasions last fall, Fidel Castro bluntly refused to answer questions put to him regarding ballistic missiles by C. L. Sulzberger of the New York Times and Barnard Collier of the New York Herald Tribune as to whether they remained in Cuba (while at the same time official sources in Washington were insisting that they did not).

Undermining still further the credibility of current public statements on Soviet military strength in Cuba, Castro then told Sulzberger that there are enough Russian troops in Cuba to form "a solid combat force," sneering quite openly at State Department estimates with the comment that the Soviets were not in Cuba as "military tourists."

Meanwhile, two of the target countries in Latin America are giving new evidence that the Soviets, through their Cuban base, are on the move. Honduran Foreign Minister, Jorge Duron, announced on February 11 the capture of arms and subversive plans against Honduras, saying that "there isn't the slightest doubt about Cuban interference * * * open and constant intervention * * *" for the overthrow of the Honduran Government. Colombia has come under increasing attack by guerrillas operating in its region of Marquetalia in operating which Pravda gratuitously labeled as "very little difference from the dirty war being carried out in Vietnam * * *."

Mr. Bethel's foregoing report warrants serious attention: We have checked his evaluation and estimates with officers in the Department of State, the Department of Defense, the OAS, and other Cuban refugee groups. They have been rejected as far too high in some quarters, given qualified support in others, and accepted as valid in still others. A very knowledgeable, high ranking administration officer, when asked a few days ago about the number of Soviet troops in Cuba, replied cryptically: "there are a helluva lot of them, although I can't tell you the number."

[From the Washington Post, Feb. 4, 1965]

U.S. HINTS AT INTERNATIONALLY HELD CANAL

(By Dan Kurzman)

The United States has indicated to four Latin American countries, through any of which a sea level canal might be built, that it tentatively favors international operation of such a waterway.

Three countries—Nicaragua, Costa Rica, and Colombia—appear to favor this view, but Panama is holding out for joint operation with the United States.

ENTHUSIASM NOTED

This reaction toward internationalization appeared to be the most significant result of talks held between officials of these countries and a U.S. mission that returned to Washington yesterday. The mission was led by Thomas C. Mann, Assistant Secretary for Inter-American Affairs, and Stephen Ailes, Under Secretary of the Army.

The American team, which toured the four countries to determine their attitudes, ascertained that all were "very interested" in the project. They said the United States could proceed with full-scale surveys of possible sites.

The talks are understood to have been uniformly friendly despite the difference in opinion between the United States and Panama.

According to informal sources, the U.S. representatives indicated a preference for an international operation involving representatives of the canal's users and financiers in addition to the United States and the host country. Such an arrangement, presumably, would dilute any future charges of "Yankee imperialism."

Panamanian officials are said to have argued that internationalization would infringe on Panama's sovereignty.

PANAMA'S PLAN

It is speculated that Panama wants to take over full control of the new canal after construction costs are paid off in 40 or 50 years, a possibility that would be eliminated if many countries shared operational control.

Disclosure of the conflict in views coincided with reports from Panama quoting the Panamanian Foreign Minister, Fernando Eleta, as saying on Tuesday that his country may try to build a sea level canal alone, with financial aid from institutions such as the World Bank.

Careful not to rule out the possibility of U.S. construction of a new canal, Eleta said that a "go it alone" decision might be possible if nuclear excavation methods, which would be cheaper than conventional methods, proved feasible.

INTERNATIONAL FINANCING

Consistent with its attitude toward internationalization, the U.S. mission indicated to officials of the four countries visited that Washington would welcome financial contributions from any source, public or private, administration sources said.

After reporting yesterday to President Johnson on his trip, Mann himself told reporters that the United States was urging two conditions for construction of a canal: reasonable tolls and unlimited access to the waterway, without discrimination, to all ships.

The U.S. team is also understood to have made clear to officials they met that this country does not wish to build a new canal unless the project, and the conditions under which it would be constructed and operated, had the support of public opinion in the host nation.

Stressing of this U.S. view was apparently intended to impress Panama with the possibility that, regardless of what the technical surveys may show, Washington might build a new canal through another country unless the threat of anti-American demonstrations and riots, which have periodically taken place in Panama, can be eliminated.

[From the Washington Star, Jan. 14, 1964]

UNITED STATES WON'T BACK DOWN ON CANAL—JOHNSON CITES OBLIGATION TO INSURE ORDER—WAY HELD OPEN FOR TALKS AFTER VIOLENCE ENDS

The White House said today that the United States has an obligation to operate the Panama Canal efficiently and securely and cannot allow the canal's security to be imperiled.

A statement issued earlier this morning after President Johnson conferred with members of a task force he had dispatched to Panama reasserted the American position that restoration of order is a necessary prelude to direct and candid discussions between the United States and Panamanian Governments.

The White House statement emphasized that the United States had no intention of backing down from its insistence on retaining full power over the canal.

RECOGNIZED OBLIGATION

"The United States cannot allow the security of the Panama Canal to be imperiled," the statement said. "We have a recognized obligation to operate the canal efficiently and securely, and we intend to honor that obligation in the interests of all who depend on it."

The statement concluded:

The United States continues to believe that when order is fully restored, it should be possible to have direct and candid discussions between the two Governments.

REMARKS OF THE PRESIDENT ON THE PANAMA CANAL, DECEMBER 18, 1964

This Government has completed an intensive review of policy toward the present and the future of the Panama Canal. On the basis of this review I have reached two decisions:

First, I have decided that the United States should press forward with Panama and other interested governments, in plans and preparations for a sea level canal in this area.

Second, I have decided to propose to the Government of Panama the negotiation of an entirely new treaty on the existing Panama Canal.

These decisions reflect the unanimous judgment of the Secretary of State, the Secretary of Defense, the Joint Chiefs of Staff. They are based on the recommendations of Ambassador Robert Anderson, Secretary Stephen Ailes, Secretary Thomas Mann, and our Ambassador in Panama, Ambassador Jack Vaughn. They have the full support of Mr. Truman and General Eisenhower. They have been reported

to, and in most instances sympathetically received by the leadership of the Congress.

These two steps I think are needed now—needed for the protection and the promotion of peaceful trade—for the welfare of the hemisphere—in the true interests of the United States—and in fairness and justice to all.

For 50 years the Panama Canal has carried ships of all nations in peaceful trade between the two great oceans—on terms of entire equality and at no profit to this country. The canal has also served the cause of peace and freedom in two World Wars. It has brought great economic contributions to Panama. For the rest of its life the canal will continue to serve trade, and peace, and the people of Panama.

But that life is now limited. The canal is growing old, and so are the treaties for its management, which go back to 1903.

The Panama Canal, with its limiting locks and channels, will soon be inadequate to the needs of our world commerce. Already more than 300 ships built or building are too big to go through with full loads. Many of them—like our own modern aircraft carriers—cannot even go through at all.

So I think it is time to plan in earnest for a sea level canal. Such a canal will be more modern, more economical, and will be far easier to defend. It will be free of complex, costly, vulnerable locks and sea-ways. It will serve the future as the Panama Canal we know has served the past and the present.

The Congress has already authorized \$17 million for studies of possible sites and of the other practical problems of a sea level canal. There seem to be four possible routes—two in Panama, one in Colombia, and one which goes through Nicaragua and possibly Costa Rica as well.

I have asked the Secretary of State to begin discussions immediately with all the governments concerned with these possible new routes. In these discussions we will be prepared to work on the terms and the conditions of building and operating a new canal, and if preliminary arrangements can be reached, we will be ready to go ahead with selected site surveys.

Last January there was violence in Panama. As I said then, "Violence is never justified and is never a basis for talks."

But while the people of the United States have never made concessions to force, they have always supported fairplay and full respect for the rights of others. So from the very first day, as your President, I made it clear that we were ready to sit down and to seek answers, to reason together and to try to find the answers that would be just, fair, and right, without precondition or without precommitment on either side.

On that basis, relations between our two countries, negotiations were resumed in April and on that basis I chose Mr. Robert Anderson, the distinguished former Secretary of the Treasury under President Eisenhower, to be my special Ambassador on this problem. Since then Ambassador Anderson has been working with the American Ambassador, Mr. Vaughn, with the Secretary of the Army, Mr. Ailes, and with Secretary Mann of the State Department. They have recommended that we should propose a new treaty for the existing canal.

After careful review with my senior advisers, I have accepted this recommendation.

Today we have informed the Government of Panama that we are ready to negotiate a new treaty. In such a treaty, we must retain the rights which are necessary for the effective operation and the protection of the canal, and the administration of the areas that are necessary for these purposes. Such a treaty would replace the treaty of 1903 and its amendments. It should recognize the sovereignty of Panama. It should provide for its own termination when a sea level canal comes into operation. It should provide for effective discharge of our common responsibilities for hemispheric defense. Until a new agreement is reached, of course, the present treaties will remain in effect.

In these new proposals, we will take every possible step to deal fairly and helpfully with the citizens of both Panama and the United States who have served so faithfully through the years in operating and maintaining the canal.

These changes are necessary not because of failure but because of success; not because of backwardness but because of progress. The age before us is an age of larger, faster ships. It is an age of friendly partnership among the nations concerned with the traffic between the oceans. This new age requires new arrangements.

The strength of our American system is that we have always tried to understand and meet the needs of the future. We have been at our best when we have been both bold and prudent in moving forward. The planning of a new canal and the negotiation of a new treaty are just such bold and prudent steps. So let us today in friendship take them together.

JANUARY 25, 1965.

HON. STEPHEN AILES,
Secretary of the Army,
Department of the Army,
Washington, D.C.

DEAR MR. SECRETARY: Since return to Washington, I have examined the recently published "Subject Catalog of the Special Panama Collection of the Canal Zone Library-Museum." Its purpose, as expressed by the Governor of the Canal Zone in his approval dated January 30, 1964, is to let "scholars and researchers everywhere" know of its existence.

As a close student of interoceanic canal history and problems, I recognize the work involved in producing this voluminous compilation and the advantages of having such data easily available. Under normal circumstances, I would be happy to be the first to commend the compilers. However, certain of the catalog's features impel me, as a Member of the Congress who has special knowledge of the subject, and over a period of years has made many addresses on all key elements in the Panama Canal equation, as recorded in the attached documentation, to protest what has been done under the guise aiding scholarship.

First of all, it should be noted that the tabulation in subparagraph 3 on page vii and the inclusion of 41 cards on the so-called sea-level canal (pp. 46-48) clearly indicate that the main object of the publication is massive propaganda in support of a predetermined sea-level project in the Canal Zone—an undertaking long sought by dredging combines, manufacturers of heavy earth-moving machinery, and a lim-

ited number of professional engineers, but opposed by many experienced ship-canal engineers, nuclear warfare and other qualified experts.

Though the catalog very properly lists some important statements by other Members of the Congress, I can find only one instance (p. 313) in which an address by me is indexed: "John F. Stevens: Basic Architect of the Panama Canal." This 1956 paper of mine was merely historical and not related to current canal questions; whereas the many other addresses and statements made by me in the Congress on acute canal problems are absolutely ignored and excluded from the catalog.

As my contributions often made banner headlines in isthmian newspapers and are well known in both the Canal Zone and Republic of Panama, I must believe that such exclusion from the collection could not possibly have been an innocent oversight on the part of the compilers. Instead, it must have been a deliberately planned affront by high administrative officials not only to me personally but also to the House of Representatives, which, on occasion, has overwhelmingly approved my stand. Moreover, no process could be better calculated to nullify the published purpose of the catalog to supply citations of authoritative information to scholars and researchers everywhere, who undoubtedly wish to know the whole story of the current problems and not just a part of it.

To provide perspective, attention is invited to the following facts:

(a) The mass news media of the United States has steadily ignored for years all objective and forthright addresses in the Congress on interoceanic canal problems and this has apparently been induced by the attitude of administrative officials.

(b) Most recent major canal publicity has been either that supporting the surrender of U.S. sovereignty over the Canal Zone and Panama Canal or for the construction of an alleged sea-level canal of vast proportions.

(c) The June 4, 1964, hearings before the Committee on Merchant Marine and Fisheries, when both you and I testified, were never published, although request therefor was duly made.

(d) The House of Representatives, under gag-rule procedure on September 1, 1964, passed S. 2701, 88th Congress, without the benefit of indispensable background information in published hearings.

(e) The subject catalog does not list any of my relevant addresses, particularly those dealing with the questions of sovereignty, security, and the major modernization of the existing canal.

Mr. Secretary, this sequence cannot be accidental but forms a sinister pattern of suppression comparable to that in a proletarian dictatorship rather than in a nation with a constitution guaranteeing legislative independence based on complete resource information. Moreover, it is a serious reflection on the character and patriotism of those with supervisory responsibility over its preparation, and no doubt will be so considered in the Congress when the facts are known.

In this general connection, the practice of concealing knowledge of vital facts from the public in representations concerning the so-called sea-level project is strikingly illustrated by the data issued in support of the alleged vulnerability of the present high-level-lock canal with

complete omission of the greater vulnerability, in effect, of the Gailard Cut. Thus, erroneous assumption that only a canal at sea level would be "secure." This propaganda does not stress the fact that a "sea level" undertaking in the Canal Zone would require massive tidal locks and many miles of lateral dams and spillways on both sides of the main channel. Nor does it recognize that the major vulnerable feature of either the present canal or of any sea-level design at or near the present site, is to be found in the cut. The "sea level" design, in fact, by substantially deepening and lengthening the cut would greatly increase the vulnerability on this score.

As regards slides, although it is true that the 1957-60 Board of Consultants, in its final report, voiced the view that a sea level is probably the ultimate solution of the canal problem, it did express doubt of the ability to carry out "any reasonable plan" for a sea-level canal in the Canal Zone without serious dangers of prolonged interruption to traffic at the time of cutover (H. Rept. 1960, 86th Cong., p. 5), a highly qualifying objection that is utterly ignored in all propaganda in support of the sea-level project involving the present site. Experienced ship-canal engineers have corroborated this warning which should not be, but is being, ignored. In view of what occurred in preparation of the catalog, it is possible that you have not been supplied such information.

In making this protest, Mr. Secretary, I wish to stress most earnestly that I do not blame any hardworking employees who may have carried out orders or may not have understood the significance involved. I do condemn higher administrative authority for what is, in its effect, a classic example of bibliographic sabotage.

Because of the transcendent importance of the canal question, I trust that you, as the Special Representative of the President charged with supervision over the Panama Canal enterprise, will assume charge of this matter in a way, I am sure, that Secretaries Taft, Root, or Hughes would have done and arrange either for the issue of a suitable supplement to the catalog for all purchasers or for its withdrawal from circulation and revision, so as to make available all pertinent information in the premises, including congressional addresses and discussions. It is fair to assume that the withholding of vital information from the Congress and the public by administrative authorities has also governed presentations made to the President on this subject.

In addition, I desire information on how the publication of the subject catalog was financed, what funds were used, by whose authority, and the amounts thereof.

An early reply is respectfully requested.

Sincerely yours,

DANIEL J. FLOOD.

DEPARTMENT OF THE ARMY,
Washington, D.C., February 17, 1965.

HON. DANIEL J. FLOOD,
House of Representatives.

DEAR MR. FLOOD: Reference is made to your letter of January 25, 1965, concerning the "Subject Catalog of the Special Panama Collection of the Canal Zone Library-Museum," published in 1964.

The circumstances surrounding the publication of this subject catalog have been thoroughly investigated and the following details are provided in response to your questions.

The subject catalog was published by G. K. Hall & Co. of Boston, Mass., at its own expense. The project resulted from a casual meeting between the librarian-curator of the Canal Zone Library-Museum and a representative of the G. K. Hall Co. during the course of an American Library Association Conference. The G. K. Hall Co. undertook publication of the subject catalog on its own initiative purely as a commercial venture, in view of the timeliness of the subject matter. Since information contained in a library catalog is public information available to anyone, there was no objection to such a venture.

With reference to the material contained in the subject catalog, it is significant to note that the catalog was not intended to be a bibliography but a working card file of materials acquired through purchase and donation for the Panama Collection from 1914 to January 30, 1964. Your addresses and statements concerning the Panama Canal that have appeared in the Congressional Record are part of the Canal Zone Library's collection of the Record and covered by the comprehensive index of the Record itself. As a matter of normal procedure, and in the interest of economy, items appearing in the Congressional Record are not cataloged separately in the Special Panama Collection except in those cases in which the library receive separate reprints as donations from the authors. These separate reprints when received are entered in the Special Panama Collection card catalog and as a result appeared in the reproduction by G. K. Hall & Co.

In summary, the subject catalog was in no way intended to be an exhaustive bibliography. It merely represents a gradual accumulation over many years of books, clippings, pamphlets and other items not normally available through indexes and reference materials found in any library of comparable size. There was no cost to the Canal Zone Government or Panama Canal Company for the publication of the subject catalog since it was entirely a private venture of the G. K. Hall & Co. In addition, no instructions of guidance were given to the librarian-curator of the Canal Zone Library Museum by her supervisor at any level concerning form or content of the catalog.

I regret that there has been a misunderstanding of the origin, nature, and purpose of this special catalog, and trust that the above information will assist in rectifying any erroneous impressions that may have been imparted.

Sincerely yours,

STEPHEN AILES,
Secretary of the Army.

MARCH 8, 1965.

HON. STEPHEN AILES,
*Secretary of the Army,
Department of the Army,
Washington, D.C.*

DEAR MR. SECRETARY: I have studied your letter of February 17, 1965, concerning my protests over the "Subject Catalog of the Special Panama Collection of the Canal Zone—Museum" published in 1964 by

G. K. Hall Co. with the formal approval of the Governor of the Canal Zone.

As to your conclusion that there was a misunderstanding, I understood too well, and regret that I found your reply not only unresponsive but also evasive. Your statement that there were "no instructions or guidance" given the compiler "at any level" of the Canal Zone Government as to "form or content" in a work of this importance is, in effect, a disguised effort to pass to a subordinate the responsibility that must be borne by the Governor.

Accordingly, I reiterate my letter of January 25, 1965, on this matter.

Sincerely yours,

DANIEL J. FLOOD.

PRESIDENT THEODORE ROOSEVELT MESSAGE TO THE CONGRESS,
FEBRUARY 19, 1906

To the Senate and House of Representatives:

I submit herewith the letter of the Secretary of War transmitting the report of the Board of Consulting Engineers on the Panama Canal and the report of the Isthmian Canal Commission thereon, together with a letter written to the Chairman of the Isthmian Canal Commission by Chief Engineer Stevens. Both the Board of Consulting Engineers and the Canal Commission divide in their report. The majority of the Board of Consulting Engineers, eight in number, including the five foreign engineers, favor a sea level canal, and one member of the Canal Commission, Admiral Endicott, takes the same view. Five of the eight American members of the Board of Consulting Engineers and five members of the Isthmian Canal Commission favor the lock canal, and so does Chief Engineer Stevens. The Secretary of War recommends a lock canal pursuant to the recommendation of the minority of the Board of Consulting Engineers and of the majority of the Canal Commission. After careful study of the papers submitted and full and exhaustive consideration of the whole subject I concur in this recommendation.

It will be noticed that the American engineers on the Consulting Board and on the Commission by a more than two-to-one majority favor the lock canal, whereas the foreign engineers are a unit against it. I think this is partly to be explained by the fact that the great traffic canal of the Old World is the Suez Canal, a sea-level canal, whereas the great traffic canal of the New World is the Sault Ste. Marie Canal, a lock canal. Although the latter, the Soo, is closed to navigation during the winter months, it carries annually three times the traffic of the Suez Canal. In my judgment the very able argument of the majority Board of Consulting Engineers is vitiated by their failure to pay proper heed to the lessons taught by the construction and operation of the Soo Canal. It must be borne in mind, as the Commission points out, that there is no question of building what has been picturesquely termed "the Straits of Panama"; that is, a waterway through which the largest vessels could go with safety at uninterrupted high speed. Both the sea level canal and the proposed lock canal would be too narrow and shallow to be called with any truthfulness a strait,

or to have any of the properties of a wide, deep water strip. Both of them would be canals, pure and simple. Each type has certain disadvantages and certain advantages. But, in my judgment, the disadvantages are fewer and the advantages very much greater in the case of a lock canal substantially as proposed in the papers forwarded herewith; and I call especial attention to the fact that the chief engineer, who will be mainly responsible for the success of this mighty engineering feat, and who has therefore a peculiar interest in judging aright, is emphatically and earnestly in favor of the lock-canal project and against the sea level project.

A careful study of the reports seems to establish a strong probability that the following are the facts: The sea level canal would be slightly less exposed to damage in the event of war, the running expenses, apart from the heavy cost of interest on the amount employed to build it would be less and for small ships the time of transit would probably be less. On the other hand, the lock canal at a level of 80 feet or thereabouts would not cost much more than half as much to build and could be built in about half the time, while there would be very much less risk connected with building it, and for large ships the transit would be quicker: while, taking into account the interest on the amount saved in building, the actual cost of maintenance would be less. After being built it would be easier to enlarge the lock canal than the sea level canal. Moreover, what has been actually demonstrated in making and operating the great lock canal, the Soo, a more important artery of traffic than the great sea level canal, the Suez, goes to support the opinion of the minority of the Consulting Board of Engineers and of the majority of the Isthmian Canal Commission as to the superior safety, feasibility, and desirability of building a lock canal at Panama.

The law now on our statute books seems to contemplate a lock canal. In my judgment a lock canal, as herein recommended, is advisable. If the Congress directs that a sea level canal be constructed its direction will, of course, be carried out. Otherwise the canal will be built on substantially the plan for a lock canal outlined by the accompanying papers, such changes being made, of course, as may be found actually necessary, including possibly the change recommended by the Secretary of War as to the site of the dam on the Pacific side.

THEODORE ROOSEVELT.

THE WHITE HOUSE, *February 19, 1906.*

[Public Law 88-609, 78 Stat. 990, 88th Cong., Sept. 22, 1964]

S. 2701

AN ACT To provide for an investigation and study to determine a site for the construction of a sea level canal connecting the Atlantic and Pacific Oceans

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That the President is authorized to appoint a Commission to be composed of five men from private life, to make a full and complete investigation and study, including necessary on-site surveys, and considering national defense, foreign relations, intercoastal shipping, interoceanic shipping, and such other matters as they may determine to be important, for the purpose of determining the feasibility of, and the most suitable site for, the construction of a sea level canal connecting the Atlantic and Pacific Oceans: the best means of constructing such a canal, whether by conventional or nuclear

excavation, and the estimated cost thereof. The President shall designate as Chairman one of the members of the Commission.

SEC. 2. The Commission is authorized to utilize the facilities of any department, agency, or instrumentality of the executive branch of the United States Government, and to obtain such services as it deems necessary in accordance with the provisions of section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

SEC. 3. The Commission shall report to the President for transmittal to Congress on July 31, 1965, with respect to its progress, and each year thereafter until the completion of its duties. The President shall submit such recommendations to the Congress as he deems advisable. The Commission shall continue until the President determines that its duties are completed, but not later than June 30, 1968.

SEC. 4. There are hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this Act, not to exceed \$17,500,000.

Approved September 22, 1964.

Legislative history:

House Report No. 1706 (Committee on Merchant Marine and Fisheries).

Senate Report No. 968 (Committee on Commerce).

Congressional Record, volume 110 (1964): March 30, considered and passed Senate; August 12, considered in House; September 1, considered and passed House, amended; September 8, Senate concurred in House amendments.

[89th Cong, 1st sess.]

H.R. 4871

In the House of Representatives, February 15, 1965, Mr. Flood introduced the following bill; which was referred to the Committee on Merchant Marine and Fisheries:

A BILL To create the Interoceanic Canals Commission, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Interoceanic Canals Commission Act of 1965".

SEC. 2. (a) A commission is hereby created, to be known as the "Interoceanic Canals Commission" (hereinafter referred to as the "Commission"), and to be composed of eleven members to be appointed by the President, by and with the advice and consent of the Senate, as follows: One member shall be a commissioned officer of the line (active or retired) of the United States Army; one member shall be a commissioned officer of the line (active or retired) of the United States Navy; one member shall be a commissioned officer of the line (active or retired) of the United States Air Force; one member shall be a commissioned officer of the Corps of Engineers (retired) of the United States Army; and seven members from civil life, four of whom shall be persons learned and skilled in the science of engineering. The President shall designate one of the members from civil life as Chairman, and shall fill all vacancies on the Commission in the same manner as original appointments are made. The Commission shall cease to exist upon the completion of its work hereunder.

(b) The Chairman of the Commission shall receive compensation at the rate of \$30,000 per annum, and the other members shall receive compensation at the rate of \$28,500 per annum, each; but the members appointed from the Army, Navy, and Air Force shall receive only such compensation, in addition to their pay and allowances, as will make their total compensation from the United States \$28,500 each.

SEC. 3. The Commission is authorized and directed to make and conduct a comprehensive investigation and study of all problems involved or arising in connection with plans or proposals for—

(1) an increase in the capacity and operational efficiency of the present Panama Canal through the adaptation of the third locks project (53 Stat.

1409) to provide a summit-level terminal lake anchorage in the Pacific end of the canal to correspond with that in the Atlantic end, or by other modification or design of the existing facilities;

(2) the construction of a new Panama Canal of sea-level design, or any modification thereof;

(3) the construction and ownership, by the United States, of another canal or canals connecting the Atlantic and Pacific Oceans;

(4) the operation, maintenance, and protection of the Panama Canal, and of any other canal or canals which may be recommended by the Commission;

(5) treaty and territorial rights which may be deemed essential hereunder; and

(6) estimates of the respective costs of the undertakings herein enumerated.

SEC. 4. For the purpose of conducting all inquiries and investigations deemed necessary by the Commission in carrying out the provisions of this Act, the Commission is authorized to utilize any official reports, documents, data, and papers in the possession of the United States Government and its officials; and the Commission is given power to designate and authorize any member, or other officer, of the Commission, to administer oaths and affirmations, subpoena witnesses, take evidence, procure information and data, and require the production of any books, papers, or other documents and records which the Commission may deem relevant or material for the purposes herein named. Such attendance of witnesses, and the production of documentary evidence, may be required from any place in the United States, or any territory, or any other area under the control or jurisdiction of the United States, including the Canal Zone.

SEC. 5. The Commission shall submit to the President and the Congress, not later than two years after the date of the enactment hereof, a final report containing the results and conclusions of its investigations and studies hereunder, with recommendations; and may, in its discretion, submit interim reports to the President and the Congress concerning the progress of its work. Such final report shall contain—

(1) the recommendations of the Commission with respect to the Panama Canal, and to any new interoceanic canal of canals which the Commission may consider feasible or desirable for the United States to construct, own, maintain, and operate;

(2) the estimates of the Commission as regards the approximate cost of carrying out its recommendations; and like estimates of cost as to the respective proposals and plans considered by the Commission and embraced in its final report; and

(3) such information as the Commission may have been able to obtain with respect to the necessity for the acquisition, by the United States, of new, or additional, rights, privileges, and concessions, by means of treaties or agreements with foreign nations, before there may be made the execution of any plans or projects recommended by the Commission.

SEC. 6. The Commission shall, without regard to the civil service laws, appoint a secretary and such other personnel as may be necessary to carry out its functions, who shall serve at the pleasure of the Commission and shall receive compensation fixed in accordance with the Classification Act of 1949, as amended.

SEC. 7. The Commission is hereby authorized to appoint and fix the compensation of such engineers, surveyors, experts, or advisers deemed by the Commission necessary hereunder, as limited by the provisions in title 5, United States Code, section 55a; and may make expenditures, in accordance with the Travel Expense Act of 1949, as amended, and the Standardized Government Travel Regulations, for travel and subsistence expenses of members of the Commission and its employees while away from their homes or regular places of business; for rent of quarters at the seat of government, or elsewhere; for personal services at the seat of government, or elsewhere; and for printing and binding necessary for the efficient and adequate functions of the Commission hereunder. All expenses of the Commission shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the Chairman of the Commission, or such other official of the Commission as the Commission may designate.

SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions and purposes of this Act.

SEC. 9. The Act entitled "An Act to provide for an investigation and study to determine a site for the construction of a sea-level canal connecting the Atlantic and Pacific Oceans" (Public Law 88-609, 78 Stat. 990), is hereby repealed.

STATEMENT BY THE PRESIDENT, SEPTEMBER 24, 1965

I have approved a bill to provide for an investigation and study to determine a site for the construction of a sea level canal connecting the Atlantic and Pacific Oceans.

The Panama Canal was a great engineering achievement. It has served world commerce for 50 years. It has been a major source of income for Panama's economic and social development. It has been a key link in our security arrangements. But if we are to meet the challenges of the future, we must begin now to think in terms of the long-range needs of the United States, Latin America and the rest of world for a sea level canal across the American Isthmus.

Construction of a sea level canal presents formidable obstacles even after a suitable site is selected. There are enormous technical problems and complex and interrelated political, military, and economic considerations that must be weighed. Under this bill the task will be undertaken by a five-member commission, appointed by the President, with annual reports on the progress of the Commission's work submitted to the Congress through the President.

This authorization will permit the study to get underway. Equally important, however, is appropriation of necessary implementing funds. I urge that the Congress act promptly on the supplemental request of \$5 million for this purpose for the fiscal year 1965.

LYNDON B. JOHNSON.

[From the Congressional Record, 89th Cong., 1st sess., July 29, 1965]

INTEROCEANIC CANAL PROBLEM: INQUIRY OR COVER UP?—SEQUEL

MR. FLOOD. Mr. Speaker, on April 1, 1965, I addressed this body on the major policy subject of the "Interoceanic Canal Problem: Inquiry or Cover Up?" Among the points stressed on that occasion were the nonpublication of the June 4, 1964, hearings on S. 2701, 88th Congress, before the Committee on Merchant Marine and Fisheries and the consequent denial to Members of this House of the Congress of vital background information on the canal question in the form of printed hearings before September 1, when this body was called upon to vote on the bill. I have been requested so many times before and since my April 1, address for precise information as to what actually occurred concerning S. 2701 that I shall elaborate on the facts set forth in that connection.

The witnesses of the executive agencies at the above indicated hearings were the then Secretary of the Army Stephen Ailes, Assistant Secretary of State Thomas C. Mann, and Chairman Glenn T. Seaborg of the Atomic Energy Commission. All three presented prepared statements, with Secretary Ailes giving what amounted to a joint paper in support of objectives previously decided.

Having been invited to attend those hearings by the chairman, I listened to the three witnesses with the greatest care and was the last to testify.

Although I had originally intended only to read and submit a brief written statement, with a number of supporting documents attached, the self-serving nature of the testimony caused me to change my plans. Instead of reading my prepared paper, I made an oral statement, emphasizing the imperative necessity for a broadly-based, competently constituted and independent inquiry as was contemplated in the Bow-Flood-Hosmer-Thompson bills of the 88th Congress. On completing my remarks, I submitted the written statement and its attachments for inclusion in the record of the hearings of a supplement to my oral testimony.

The impact of my spoken statement on those present, including the members of the committee was immediate and glaringly obvious, with signs of approval by certain committee members. The witnesses and other interested parties in the audience, at first surprised, became animated, some in apparent discomfort. In fact, they showed the greatest interest and confusion, with reactions that were manifest, indicating amazement that I should present another view of the canal question. Thus, Mr. Speaker, I was able to leave the hearings hoping that my testimony had clarified a situation that needed exposure to the spotlight of national publicity. As matters developed, my feelings were, indeed, over sanguine.

Supplied with copies of the three prepared executive agency statements, the mass news media of our country featured the testimony of the three official witnesses in massive coverage. As far as it has been possible to ascertain, this media completely ignored all that I stated, despite one of the most intense displays of animation that I have ever observed at a congressional hearing.

Subsequently, I received a most thoughtful letter, dated June 11, 1964, from Dr. Leonard B. Loeb, professor of physics, emeritus, of the University of California, strongly supporting my well-known views on the canal question. Because of the eminence of this distinguished scientist in the field of nuclear physics, I later requested that his letter be printed with other attachments to my written statement. Also, I have made repeated requests for the printing of the hearings but without avail. To this date, Mr. Speaker, the subject hearings have not been published.

The result of such nonpublication was denial to the House of indispensable information on one of the most important matters now before the Congress and the Nation. Notwithstanding that denial, the House, on September 1, 1964, and without the benefit of vital background knowledge in the customary form and inadequate time for debate, was called upon to pass, and did pass, S. 2701, which, in effect, gave complete control of the so-called canal inquiry to executive agencies responsible for the long record of policy failures at Panama.

Because of the severe limitation on time for consideration of a subject of such magnitude would not have been sufficient for adequate presentation of key arguments, I chose not to speak in opposition as I had initially intended to do but, along with 22 other Members, did vote against what has been widely condemned as a legislative monstrosity. Since then many Members who have become better informed have told me that they now wish that they had also voted against that self-serving measure. In addition, I have learned that a number of leading journalists, seeking information on my June 4 testimony, have requested copies of my statement from the committee but could not obtain them.

The full story of how S. 2701 was pushed through the House is still not known. It appears, however, to have been a prelude to the President's December 18, 1964, surprise announcement about interoceanic canal problems.

Imagine, Mr. Speaker, my astonishment to read in an Isthmian newspaper a feature story on page 1 of the December 30, 1964, issue of the Panama Star and Herald on how the unknown professional staff members of the National Security Council have audaciously and publicly boasted of their victory, particularly the followthrough. Were they the ones who inspired the nonpublication of vital information and the gag-rule procedure in the House on September 1? In this light, it is not strange that the chairman of the Committee on Merchant Marine and Fisheries, when queried by me about the procedures that featured the handling of S. 2701 in the House, answered by asking the question: "What is going on here anyway?"

Mr. Speaker, such dictatorial processes on the part of underlings in the executive agencies of our Government concerning crucial policy questions in which the Congress is the ultimate authority, are not only

unconstitutional interferences with the legislative branch but also are well calculated to serve the special interests that would benefit from their own recommendations?

The resulting statute, Public Law 88-609, 88th Congress, approved September 22, 1964 (78 Stat. 990) has been severely criticized by informed persons in various parts of the Nation as a legislative monstrosity, drafted to assure a predetermined mandate by the Congress for a predetermined type of canal and the exclusion of the solution of the problem of increased transit capacity that independent experts consider as the best when the matter is evaluated from all vital angles.

Such legislation, Mr. Speaker, will not, and cannot, meet basic canal issues that simply must not be "swept under the rug" for political expediency, as is so arrogantly attempted.

It is a recognized principle of fundamental morality that the only action worse than error is persistence in error. The attitude of persistence in error has often been exemplified in matters affecting inter-oceanic canal policy questions, not only recently but as well throughout much canal history. Notwithstanding such lapses, the combination of geographical configurations of the Central American Isthmus, the treacherous geological formations in that area and the economics of engineering, and diplomatic and political realities has always served to prevent irretrievable error despite a deplorable lack of vision on the part of some who were temporarily in positions of power. So far, something has always happened to place the ship of state as regards Isthmian Canal policy on a safe, even if not the best and most stable, course.

As summarized in my address to this body on April 1, 1965, the key canal issues are obvious and simple. Because obvious and simple solutions of all problems are usually the last to be seen and the most difficult to grasp, I shall repeat these issues. They are:

First, the transcendent responsibility of our Government to safeguard our indispensable sovereign rights, power, and authority over the Canal Zone for the efficient maintenance, operation, sanitation, and protection of the Panama Canal.

Second, the subject of the major increase of capacity and correlated superior operational improvement of the existing Panama Canal through the modification of the Third Locks project (53 Stat. 1409) to provide a summit-level lake anchorage in the Pacific sector of the Panama Canal to match the layout in the Atlantic end, on which project some \$75 million was expended on enormous lock site excavations at Gatun and Miraflores before work was suspended in May 1942.

Third, the question of a new Panama Canal of so-called sea-level design, or modification thereof, to replace the existing canal.

Fourth, the matter of the construction and ownership of a second canal at a site other than the Canal Zone, including Nicaragua.

As regards the modernization of the existing Panama Canal, Mr. Speaker, the Nation and the Congress should know that the plan for the major modification of the third locks project just mentioned was, as I previously and repeatedly emphasized, developed in the canal organization during World War II as the result of wartime experi-

ence and officially submitted to higher canal authorities. It was approved in principle and recommended to the Secretary of War by the then Governor of the Panama Canal, for "thorough investigation" and approved "in general" before the Committee on Merchant Marine and Fisheries by a succeeding Governor for the major operational improvement of the existing canal. Also, as I have previously stated, it aroused the interest and approval of Secretary of the Navy Knox and was supported by his successor, Secretary Forrestal. It was submitted to President Franklin D. Roosevelt, who approved it as a postwar project and, for a time, appeared to be on its way to realization.

The advent of the atomic bomb in 1945, coupled with the death of President Roosevelt, who had studied the subject and could not be misled, served to divert developments from their logical course. Seized upon as psychological levers with which to browbeat the Congress and propagandize the Nation, the dangers of nuclear weapons were used in massive propaganda campaigns well calculated to confuse the issue and to delay decision on the solution that applied, and the matter is still with us.

To supply the Congress and the Nation with an adequately constituted body to conduct the necessary investigations with recommendations that the Congress and the Nation can, in good conscience, accept, Representatives William R. Anderson and Frank T. Bow and I have introduced identical bills to annul the recent, ill-advised statute and to create the Interoceanic Canals Commission, which is quoted in the appended documentation.

Mr. Speaker, as stated by me many times before this House, the Congress and the people of our country have been denied vital information on canal problems through managed news policies, studied silence, exaggerated emphasis of irrelevant factors, and calculated confusion of issues.

The latest example of such tactics of usurpation is a request of the Bureau of the Budget sent to the Senate rather than to the House for an appropriation of \$7,500,000 in the form of an amendment to the 1966 appropriation for a so-called "Interoceanic Canal Commission," which term does not appear in the authorization act (78 Stat. 990).

It does appear in the Anderson-Bow-Flood bills as the "Interoceanic Canals Commission." The unauthorized use of the term, "Interoceanic Canal Commission," is a bold, flagrant effort to muddy the waters to a still higher degree under the cover of which certain interests are determined to advance their predetermined objectives. The executive branch certainly has no power to amend an enactment of the Congress in the indicated manner and has no legal justification for using the term, "Interoceanic Canal Commission," instead of the term used in the indicated enactment.

The question arises, how much longer is the Congress going to tolerate such transgressions on the part of our executive officials who are bound by oaths of office? Are we going to wait for a mass protest by the people of the Nation before we undertake to do our sworn duty? Certainly, the time has come to act but our action must be a wisely reasoned line of action founded on full information and not only a part of the story.

As a step in this direction, I quote my oral and written statements on June 4, 1964, the attachments to the latter, the June 11 letter of

Dr. Loeb, and highly significant writings of former Principal Engineer Edward Sydney Randolph, Sr., of the Panama Canal. His views, as expressed in his perceptive letters and thoughtful writing in the "U.S. Naval Institute Proceedings," reflect the mature judgment derived from a lifetime of study, observation, and experience.

In this connection, I am well acquainted with the 1947 report of the Governor of the Panama Canal which was based on fallacious assumptions of so-called security and national defense as paramount and controlling. This report very properly failed to receive presidential approval and the Congress took no action thereon, not even authorizing its publication. I am also familiar with the 1960 report of the Board of Consultants, Isthmian Canal Studies—House Report 1960, 86th Congress—which, in some most significant respects, is self-contradictory. Although both reports require the interpretation of experts to ferret out their fatal weaknesses, they do contain much valuable information, especially the conclusion in the latter of doubt as to ability to construct a sea level canal in the Canal Zone "without serious danger of a long interruption to traffic" and "slides of the first magnitude"—paragraph 16, House Report 1960.

Because of the quality of the information contained in the documents appended to this address, I commend them for the most careful study by all concerned with the interoceanic canal question, especially Members of the Congress, the executive agencies of our Government, and the several professional societies that are interested in various phases of the canal problem; economic groups that are substantial tax contributors, particularly the transcontinental railroads and trucking companies; the users of an Isthmian Canal, foreign and domestic, who will have to pay tolls reflecting the costs of construction; and above all, I would especially commend consideration of these statements by the President himself.

The above indicated documentation follows:

STATEMENT OF THE HONORABLE DANIEL J. FLOOD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA, BEFORE THE COMMITTEE ON MERCHANT MARINE AND FISHERIES, HOUSE OF REPRESENTATIVES, JUNE 4, 1964

The CHAIRMAN (Mr. Bonner). Are there any further questions? Mr. Flood, did you care to make a statement?

Mr. FLOOD. Mr. Chairman, may I make it from here?

The CHAIRMAN. Yes.

Mr. FLOOD. My only purpose in being here this morning is very simple. You were kind to ask me. You have put a rifle on the very narrow purpose of why we are here this morning. I have no quarrel with the purpose or intent of this proposal. I think it should be done. It has been badly delayed, long delayed. Last night was too late.

As my friend just suggested, the proposal as to time in the Senate bill is utterly and completely unrealistic. It should never have been in there in the first place. Of course, it should be removed. I took for granted this committee, in its wisdom, would dispose of that without any delay. I am sure you will as you see best fit. I see my friends agree. It was utterly unrealistic in the first place.

As to the proposal here, my problem is this. If this proposition is so important as to be dignified as you are dignifying it—placing it before your full committee, presiding yourself, bringing these distinguished people from State and Defense here—then once and for all, for heaven's sake, let us do this properly. It is my considered judgment that the bill you are considering will not do it properly. It will do it, but it will not do what I think you want done, what the committee wants done, what the Congress wants done, what the Nation and what the world wants done. This present bill will not do it.

You are going to send the Devil to investigate hell. That has been going on since 1945 for this purpose. In 1945 the bill called for having the investigation conducted in Panama by the Governor of Panama—imagine that, keeping in mind some of the Governors we have had and not naming names. This is my kind morning.

That being the case, the Congress and the President considered the 1945 report superfluous, ambiguous, and it is totally discredited. The President ignored it and so did the Congress.

The only difference between the 1945 bill and H.R. 80 is that you have substituted the Panama Canal Commission or Government for the Governor. That is just an exercise in semantics. The conclusion will be just as identical, the report will be just as ambiguous, the predetermination has been made. You are calling one bureaucrat to scratch the back of another one. You have been here, I think, since the War Between the States. You know what will happen. So do I. That is an exercise in futility. Just like the 1965 report, H.R. 80 cannot possibly do anything different. It merely substitutes one name for another.

Senator Cotton's bill is just as bad because all it does is give birth to some kind of commission which is unspecified in strength, type, composition, anything else. I would dismiss that.

The bill before you from the Senate does little more. It specifies so many people. Three of them must be State—I can imagine what will happen there—Army, and I know what will happen there. Then Atomic Energy Commission is so new I am not clear about it. I have my doubts that State and the fallout from Defense and Army will rub off on them. It always does.

I say this. There is before the House and before the committee H.R. 863, proposed, and three of four bills proposed by my colleagues Bow, Thompson, and myself.

Let me read this briefly.

If this is as important as I believe it to be and as I know it is, and I am sure you do, let us do it this way and get it done. We have all the advantage of 20 years of everything these bureaucrats could give birth to from the Army Engineers down—much of it good, absolutely indispensable, invaluable, must be utilized, couldn't be without it, will save us a great deal of time and money. A great deal of contribution will be made by these people. But that is the end of their act. Now, they are through. They have done their bit. Now let us do it properly.

The House measures, I suggest, are designed to provide the independent, broadly based type of inquiry that the Interoceanic Canal problems indisputably require.

Second, they provide for a predominantly civilian commission of 11 members, of which 8 would be civilians, 3 from the combatant elements of the armed services—combatant navigation people, no more. One of the civilians is to be chairman, mandatorily a civilian chairman. In the United States of America today, with all our technical know-how, brilliance, awareness, and understanding, the President of the United States will have no trouble picking these eight great, superior civilians that the world will not be able to equal for our commission. That is what we need in this year of our Lord 1964 if nothing else.

Their task would be the exploration and study of all canal proposals, not a predetermined type and kind of canal. If this is as important as it is, all kinds of canals should be examined and all proposals by this commission with the objective of recommending the best site, the best type, with due consideration to all crucial factors involved, not half a job, which will include vital treaty questions of sovereignty, duration, indemnities, annuities, all these things. Let us not worry about a 6-month interim report.

If we consider a sea level canal—you will—my Atomic Energy friend says he cannot move for 5 years. Of course, he can. They told me this 4 years ago. Their figures are still good. I have confidence in them.

This commission should be composed of the best-qualified men, fully objective in outlook, that this country can muster. Such a commission would permit selection of its members with backgrounds along the lines indicated in the following table, subject, of course, to different variances. This includes what my friend had in mind over here.

I would suggest this: A civilian chairman, who must be an executive and engineer, the best executive and the best engineer you can find—and we have them in the United States. They would be delighted to do it—delighted.

Second, a civilian of international trade and transportation. We have got them. They would be delighted to do it—the best in the business.

Third, a civilian who is in shipping, an executive in maritime shipping, an expert in the United States—and we have got them, the best in the world, they would be delighted.

That is what you want on this commission, no jobholders scratching each other's backs in the best tradition. That is nonsense any more. Civilian, legal, governmental; we have to the best in the business. They would be glad to do it—civilian, legal, and governmental people. By governmental I do not mean a jobholder, I mean experts in government and law. We have got them.

Again a civilian, an engineer, this man to be a nuclear design and warfare experts, an expert in channel design, expert in canals, inter-oceanic communications work. These are the men we want, and we have those men. I can name a dozen for you. You pick them or the President could pick them.

Again an engineer. This must be an engineering expert in geology, in soil mechanics. These are the kinds of people that must be on this commission and not bureaucrats. We have them in our society, the greatest in the world, we have them standing by, they would be glad to serve.

Again an engineer. This man must be the best we have in hydraulics, the best we have in flood control. That is the man, Mr. Chairman, you want as one of those civilians. Those are the people. We have them, dozens of them, the best in the world.

Now the military people. We want an old line Army man, active or retired, I do not care which, could not care less, active or retired. Believe me, the Army has got them. I know it and the Secretary knows it. I want that guy. Who is he? You have got a lot of them, the best in the world. He must have broad military experience, he must know jungle warfare, he must know guerrilla warfare, he must know things, he must be on there. An active or a retired man. Ailes has them. I know them, so does he.

You want an old line Navy type, active or retired, it does not matter which. We have got them up to the ears. He must have a broad knowledge naval command, be a naval line officer, naval command line man. That is the type you want on this commission.

You want an Air Force man, active or retired, it makes no difference which. He must be an expert, the best we have, on Air Force defense, on all kinds of Air Force design and planning and defense.

Mr. Chairman, if you were going to have a commission, let us have it. That is the kind for the next commission.

THE CHAIRMAN. Thank you very much. Are there any questions by any members? The Committee stands adjourned.

Mr. Chairman, I am Representative Daniel J. Flood of Pennsylvania, member of the Subcommittee on Defense, Committee on Appropriations.

As members of the Committee on Merchant Marine and Fisheries know, I have devoted years to the study of problems of the Panama Canal and interoceanic canals generally, and made many addresses in the Congress on significant aspects of the subject. Those who have read my addresses and matters quoted in them realize that as a result of my inquiries I have come to hold some very positive convictions on how best to approach what is one of the gravest questions before our country, and about which there has been a great deal of bewildering propaganda as to what should be done.

Of all the problems involved the most pressing one is the clarification, making definite, and reaffirmation by the Congress of our historic Panama Canal policy as provided in House Concurrent Resolution 105, introduced by the late Chairman Clarence Cannon, which is identical with resolutions introduced by Representative Bow and myself. Though these resolutions were referred to the Committee on Foreign Affairs, I trust that the Committee on Merchant Marine and Fisheries will use its influence to secure a favorable report and early action by the House.

The next most urgent matter is an independent inquiry into the overall interoceanic canal problem by an independent and broadly based Interoceanic Canals Commission as provided in bills introduced by Representatives Clark W. Thompson, Bow, Hosmer, and myself. The Commission thus contemplated under congressional authorization would be created without delay and put to work.

In lieu of further detailed discussions by me at this time, I request that the full texts of the following papers be printed in these hearings as parts of my testimony in the following order:

1. Flood: "Panama Canal: Formula for Future Canal Policy," address in Congressional Record, March 11, 1964.

2. Flood: "Panama Canal Questions: Immediate Action Required," address quoting an April 5, 1963, letter of E. S. Randolph in Congressional Record, May 8, 1963.

3. E. S. Randolph: Letter of January 24, 1964.

4. E. S. Randolph: Letter of April 20, 1964.

5. Flood: "Prognosis for Panama Canal—Comment and Discussion." U.S. Naval Institute Proceedings, June 1964.

6. DuVal: "Isthmian Canal Policy—An Evaluation," U.S. Naval Institute Proceedings, March 1955.

H.R. 4871

A BILL To create the Interoceanic Canals Commission, and for other purposes

Be it enacted in the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Inter-oceanic Canals Commission Act of 1965".

SEC. 2. (a) A commission is hereby created, to be known as the "Interoceanic Canals Commission" (hereinafter referred to as the "Commission"), and to be composed of eleven members to be appointed by the President, by and with the advice and consent of the Senate, as follows: One member shall be a commissioned officer of the line (active or retired) of the United States Army; one member shall be a commissioned officer of the line (active or retired) of the United States Navy; one member shall be a commissioned officer of the line (active or retired) of the United States Air Force; one member shall be a commissioned officer of the Corps of Engineers (retired) of the United States Army; and seven members from civil life, four of them shall be persons learned and skilled in the science of engineering. The President shall designate one of the members from civil life as Chairman, and shall fill all vacancies on the Commission in the same manner as original appointments are made. The Commission shall cease to exist upon the completion of its work hereunder.

(b) The Chairman of the Commission shall receive compensation at the rate of \$30,000 per annum, and the other members shall receive compensation at the rate of \$28,500 per annum, each; but the members appointed from the Army, Navy, and Air Force shall receive only such compensation, in addition to their pay and allowances, as will make their total compensation from the United States \$28,500 each.

SEC. 3. The Commission is authorized and directed to make and conduct a comprehensive investigation and study of all problems involved or arising in connection with plans or proposals for—

(1) an increase in the capacity and operational efficiency of the present Panama Canal through the adaptation of the third locks project (53 Stat. 1409) to provide a summit-level terminal lake anchorage in the Pacific end of the canal to correspond with that in the Atlantic end, or by other modification or design of the existing facilities;

(2) the construction of a new Panama Canal of sea-level design, or any modification thereof;

(3) the construction and ownership, by the United States of another canal or canals connecting the Atlantic and Pacific Oceans;

(4) the operation, maintenance, and protection of the Panama Canal, and of any other canal or canals which may be recommended by the Commission;

(5) treaty and territorial rights which may be deemed essential hereunder;

(6) estimates of the respective costs of the undertakings herein enumerated.

SEC. 4. For the purpose of conducting all inquiries and investigations deemed necessary by the Commission in carrying out the provisions of this Act, the Commission is authorized to utilize any official reports, documents, data, and papers in the possession of the United States Government and its officials; and

the Commission is given power to designate and authorize any member, or other officer, of the Commission, to administer oaths and affirmations, subpoena witnesses, take evidence, procure information and data, and require the production of any books, papers, or other documents and records which the Commission may deem relevant or material for the purposes herein named. Such attendance of witnesses, and the production of documentary evidence, may be required from any place in the United States, or any territory, or any other area under the control or jurisdiction of the United States, including the Canal Zone.

SEC. 5. The Commission shall submit to the President and the Congress, not later than two years after the date of the enactment hereof, a final report containing the results and conclusions of its investigations and studies hereunder, with recommendations; and may, in its discretion, submit interim reports to the President and the Congress concerning the progress of its work. Such final report shall contain—

(1) the recommendations of the Commission with respect to the Panama Canal, and to any new interoceanic canal or canals which the Commission may consider feasible or desirable for the United States to construct, own, maintain, and operate;

(2) the estimates of the Commission as regards the approximate cost of carrying out its recommendations; and like estimates of cost as to the respective proposals and plans considered by the Commission and embraced in its final report; and

(3) such information as the Commission may have been able to obtain with respect to the necessity for the acquisition, by the United States, of new, or additional, rights, privileges, and concessions, by means of treaties or agreements with foreign nations, before there may be made the execution of any plans or projects recommended by the Commission.

SEC. 6. The Commission shall, without regard to the civil service laws, appoint a secretary and such other personnel as may be necessary to carry out its functions, who shall serve at the pleasure of the Commission and shall receive compensation fixed in accordance with the Classification Act of 1949, as amended.

SEC. 7. The Commission is hereby authorized to appoint and fix the compensation of such engineers, surveyors, experts, or advisers deemed by the Commission necessary hereunder, as limited by the provisions in title 5, United States Code, section 55a; and may make expenditures, in accordance with the Travel Expense Act of 1949, as amended, and the Standardized Government Travel Regulations, for travel and subsistence expenses of members of the Commission and its employees while away from their homes or regular places of business; for rent of quarters at the seat of government, or elsewhere; for personal services at the seat of government, or elsewhere; and for printing and binding necessary for the efficient and adequate functions of the Commission hereunder. All expenses of the Commission shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the Chairman of the Commission, or such other official of the Commission as the Commission may designate.

SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions and purposes of this Act.

SEC. 9. The Act entitled "An Act to provide for an investigation and study to determine a site for the construction of a sea-level canal connecting the Atlantic and Pacific Oceans" (Public Law 88-609, 78 Stat. 990), is hereby repealed.

UNIVERSITY OF CALIFORNIA,
DEPARTMENT OF PHYSICS,
Berkeley, Calif., June 11, 1964.

HON. DANIEL J. FLOOD,
*House of Representatives,
Congress of the United States,
Washington, D.C.*

MY DEAR MR. FLOOD: As a retired Naval Reserve officer of 27 years service, as a student of history and naval strategy, as well as a physicist somewhat familiar with nuclear devices, I have been much interested in the Panama Canal problem since the end of World War II.

I have followed the changing aspects of the problem as it has unfolded in the ensuing years. I was first alarmed by the moves to attempt to build a new sea level canal sponsored by the heavy dirt moving equipment industry and others using as a subterfuge the danger of the atomic bomb. Obviously either canal, from a defensive viewpoint, would be equally vulnerable to the latter weapon and probably in proportion to its length. We have a canal which is now reaching saturation but can, at moderate cost with no diplomatic involvement, be rendered more navigable and of greater capacity and efficiency according to plans already formulated. Thus the sea level canal with untested problems is not needed. When the sea level canal was wisely sidetracked by Congress the danger subsided, but I was still uneasy about an uncommitted future plan.

With the general worldwide restlessness of underprivileged peoples who are unwilling to work and take the time gradually to evolve to higher standards and with the direct subversive activities of the Communist groups acting and more insidiously through international propaganda, as well as by this Nation's necessary involvement in the U.N., OAS, and similar groups, I have again felt concern about the future of the canal. This became acute through the Egyptian seizure of the Suez Canal. The bumbling of the State Department that led to that fiasco has permitted a precedent to be established that was immediately seized by the pacifists, ultraliberal, and Communist propagandists relative to our Panama Canal. Now this pressure, coupled with political ambitions in Panama, Communist agitation in that area, etc., has gradually eased the State Department with its commitments to the U.N. and OAS into the soft attitude that has led to the present predicament as indicated by the flag incidents and the near loss of our control.

I am not surprised at the activities of Dr. Milton Eisenhower and similar "do-gooders" in this connection. What I am amazed at is the open defiance of these agencies and the President in acting contrary to the desire of the people as expressed by their representatives in Congress. It would at times seem that the executive branch is assuming powers beyond its constitutional rights.

In any event the actions of the State Department, the agitation of certain industrial interests, and now the naive and premature plan of the Atomic Energy Commission to find an outlet for their products through Project Plowshare and to keep themselves in business despite the saturation in nuclear weapons, has produced a combined effort to force the canal development along unsound and illogical lines.

In regard to the AEC Plowshare proposal for cheap excavation, I feel that the data we have to date on the feasibility of this mode of excavation on a scale demanded for a canal is inadequate to be used as the basis for any sound planning for some time to come. A very cogent article by Comdr. R. D. Duncan, USN, appears in the same issue of the Naval Institute Proceedings (June 1964, p. 49) in which the comments of yours on Professor Miller's article appear. His article deals with the atomic explosion digging of a canal across the Kra Peninsula. It appears that the only data on such a project stems from a theoretical survey by the Rand Corp. based on a few AEC tests. While the Rand Corp. has capable scientists on its staff, it lives off funds from Govern-

ment survey projects such as the one leading to their report. Having been consultant to industries making similar surveys pertinent to my own field of technical competence, I have an uneasy feeling that such reports are purposely "sugar coated" to please the supporting agency despite discouraging findings. Under these conditions the premature optimistic publicity accorded to this application of nuclear energy is dangerous and probably unwarranted. Aside from the immediate effects of digging a hole some 300 feet deep and 1,000 feet in diameter in a 1-megaton explosion, the extension of such a series of craters to a row of some 200 or so contiguous holes to create a canal is a questionable procedure. I would not, for example, feel secure about untoward contamination effects on such a large-scale operation. It is also far beyond the province of geologists and engineers to predict the consequences of such an extensive series of explosions in the completely unknown geological structures to be met in practice, in particular since the location and structures are unspecified. Caution rather than enthusiasm is certainly needed before one substitutes the politically reasonable and economically feasible solution to the modernization of the Panama Canal by such visionary projects.

On the basis of these considerations having read the various speeches you have made on this, our vital canal issue, I must confess I find myself heartily in agreement with your thinking and strongly endorse the views expressed by the competent engineers quoted in your speech of March 11, 1964, as shown on page 4775 of the Congressional Record—House. I also am heartily in favor of the bills H.R. 863, H.R. 3858, H.R. 5787, and H.R. 8563, and strongly and sincerely urge that they be passed.

It is also my hope that in due time and under the proper circumstances the Congress will be able to assert its wishes and to ensure that in the future the policy of the executive arm follows the will of the people as in Congress expressed.

Yours most sincerely,

LEONARD B. LOEB.

*Professor of Physics, Emeritus, Captain, U.S. Naval Reserve
(Retired).*

[From the Congressional Record, Mar. 11, 1964]

PANAMA CANAL: FORMULA FOR FUTURE CANAL POLICY

Mr. FLOOD. Mr. Speaker, in an address to this body on March 9, 1964, under the title of "Panama Canal: Focus on Power Politics," I dealt at length with certain crucial aspects of the overall interoceanic canals problem and suggested a plan of action for our Government. This program includes the following:

First. Prompt approval by the Congress of House Concurrent Resolution 105, introduced by Chairman Clarence Cannon of the Committee on Appropriations.

Second. Prohibition by legislation of the use of any appropriated or other Government funds for the formal display of any flag in the Canal Zone, not authorized by specific treaty provisions, other than the flag of the United States and similar prohibition of the use of

such funds to pay salaries for non-U.S. citizens in security positions of either the Canal Zone Government or the Panama Canal Company.

Third. Creation by the Congress of an independent and broadly based Interoceanic Canals Commission as outlined in bills introduced by Representatives Bow, Hosmer, Thompson of Texas, and myself, to make the necessary studies reports, and recommendations as regards future Isthmian Canal policies.

Mr. Speaker, to aid the Congress in the consideration of this program for action, there is much factual information that should be understood. This, I shall try to summarize in a form that will facilitate its consideration.

I. PANAMA CANAL SOVEREIGNTY AND OWNERSHIP

First. The long-range commitment of the United States under the 1901 Hay-Pauncefote Treaty with Great Britain, which has been generally recognized provides, for exclusive control, ownership, and management by the United States of an Isthmian Canal.

Second. The United States acquired exclusive sovereignty over the Canal Zone and Panama Canal through the grant by Panama of sovereignty in perpetuity in the 1903 treaty under international law.

Third. In addition, the United States acquired title to all land, water, and property in the Canal Zone, including the Panama Railroad and other holdings of the French Panama Canal Co. under the laws of France, Panama, and the United States.

Fourth. The title of the United States to this land, water, and property in the Canal Zone was also recognized by Colombia, the sovereign of the isthmus prior to November 3, 1903, as "vested entirely and absolutely in the United States," in the 1914-22 treaty with Colombia, which still has vested interests in the Panama Canal comparable to those of Panama.

Fifth. Since 1939, U.S. sovereign rights, power, and authority over the Canal Zone and canal have been eroded by first, a series of ill-advised surrenders by the executive branch of our Government to the radial demands of Panama, in contemptuous disregard of provisions of law, formal action of the House of Representatives, and international usage; and second, a number of unwarranted cessions to Panama by the treaty-making power of our Government, but without modifying the fundamental sovereignty and perpetuity provisions of the 1903 treaty.

II. TITULAR SOVEREIGNTY—ORIGIN AND DEFINITION

First. The first mention of Panamanian "titular sovereignty" over the Canal Zone was by Secretary of War Taft in 1905 when appearing before the Senate Committee on Interoceanic Canals, but he always emphasized that the term was not a valid claim except in a residual sense and did not affect exclusive U.S. sovereignty over the zone and Panama Canal to the entire exclusion of the exercise by Panama of any such sovereign rights, power, or authority.

Second. Later, as President-elect and as President, Mr. Taft emphasized the position of the United States as the exclusive sovereign over the Canal Zone and Panama Canal, as provided by treaty and in

a 1912 Executive order, decreed that all of the Canal Zone is necessary for the maintenance, operation, sanitation, and protection of the Panama Canal.

Third. The question of sovereignty remained unclouded until 1959, when an emissary of the Department of State in Panama, on behalf of his superiors, announced recognition of Panamanian "titular sovereignty" over the Canal Zone but failed to define the terms, which omission, as foreseen by experienced observers at the time, served to compound the confusion with more tragic results than those of the incident that this emissary was then attempting to solve.

Fourth. The term, "titular sovereignty" means a reversionary interest of Panama, just as used in deeds of real estate conveyance, and nothing more, in the sole event that the United States should fail to meet its treaty obligations to maintain, operate, sanitize, and protect in perpetuity the Canal Zone and Panama Canal. It does not extend to Panama any sovereign rights, powers, or authority which are vested entirely in the United States to the entire exclusion of the exercise by Panama in any respect as long as the United States maintains and operates the Panama Canal in conformity with treaty obligations.

Fifth. Under the circumstances that have evolved, the United States should now redeclare its policy on the question of sovereignty. Until this is done by our Government with an adequate redeclaration of our Isthmian policy, such as that in House Concurrent Resolutions 105, 113, and 120, Panama will continue to make wild, extravagant and impossible demands with a continuance of the present confusion and chaos.

III. PANAMA CANAL SOVEREIGNTY CLARIFICATION: HOUSE CONCURRENT RESOLUTIONS 105, 113, AND 120

First. Early in the 88th Congress, Representatives Clarence Cannon, Bow, and I introduced House Concurrent Resolutions 105, 113, and 120, respectively, identical measures to clarify, reaffirm, and make definite U.S. policy with respect to the sovereignty and ownership of the Canal Zone and Panama Canal, which resolutions are now before the Committees on Foreign Affairs.

Second. The adoption of these measures by the Congress does not require approval by the President and thus would avoid Executive embarrassment as the responsibility therefor would be borne by the Congress and, in turn, by the people of the United States.

Third. Prompt approval by the Congress is imperative and urged as the first step in what will take a series of actions by our Government before the overall canals question is adequately resolved.

IV. CANAL AT NICARAGUA OR ELSEWHERE

First. The only interoceanic canal route other than the Panama site, now covered by treaty, is that at Nicaragua, which is provided for in general terms under the Bryan-Chamorro Treaty of August 5, 1914. No doubt a Nicaragua canal would require a supplementary treaty. In addition, such canal, for reasons of defense and others, may require treaties with Costa Rica, Salvador, and Honduras as well.

Second. As has been amply established in my previously cited address, the Panama Canal enterprise is governed and operated under a workable treaty and would not require a new treaty except in the sole event of a sea level undertaking at that location. This is not covered by treaty and would require a new one to supply the specific conditions for its construction.

Third. Locations for interoceanic canals at other sites than the Canal Zone and Nicaragua would involve entirely different circumstances and would necessitate new treaty arrangements to specify the contractual provisions for site acquisition, construction, and subsequent operation and control.

V. OVERALL INTEROCEANIC CANAL PROBLEMS

First. The elements forming U.S. interoceanic canal policy, though ascertainable in textbooks and scholarly articles, have never been formally and authoritatively stated in one place.

Second. The problems that must be considered in the formulation of such policy include the following:

(a) The modernization of the existing Panama Canal through adaptation of the suspended third locks project (53 Statutes at Large 1409) to provide a summit-level lake anchorage in the Pacific end of the canal, to correspond with that in Gatun Lake in the Atlantic end, a plan favored by many experienced, independent engineers, atomic warfare, navigational and other canal experts, including virtually all the distinguished engineers who participated in the construction of the present canal, and who cannot be dismissed as uninformed, incompetent, or inexperienced.

(b) The construction of a new Panama Canal of sea-level design or any modification thereof in the Canal Zone near the present site.

(c) The construction and ownership by the United States of another canal at a different location.

(d) The operation, maintenance, sanitation and protection of a modernized Panama Canal or of any new canal that may be recommended.

(e) The treaty and territorial rights that may be deemed essential.

Third. Experience has shown that to secure a forthright determination and evaluation of the above listed problems, the services of an independent, broadly based, and highly competent Interoceanic Canals Commission under congressional authorization is indispensable. Experience has also shown that satisfactory results cannot be obtained by part-time or ex parte boards, necessarily dependent on administrative agencies, and that an independent inquiry is absolutely indispensable.

VI. OBSERVATIONS ON PENDING BILLS

First. A number of measures, introduced in both House and Senate, to deal with the over-all canal problem require some comments to the ends that the mistakes of the fact will not be repeated, that the necessary investigations shall be comprehensive, and that the policies recommended may be realistic.

H.R. 80, INTRODUCED BY CHAIRMAN BONNER, OF THE COMMITTEE ON
MERCHANT MARINE AND FISHERIES

First. They key terms in this measure are identical with those in the ambiguous and discredited 1945 Public Law 780, 79th Congress, which directed the Governor of the Canal Zone—then Panama Canal—to investigate and report upon his own domain. The Governor's 1947 recommendation called for the construction of only a sea-level project in the Canal Zone, which recommendation the President did not approve and the Congress did not accept.

Second. H.R. 80 would merely repeat the same type of inquiry, with the name of the Panama Canal Company substituted for the Governor, which, in view of the facts involved, would merely supply another 1945-47 type of investigation, which was wholly inadequate in scope and directed toward securing authorization of a predetermined objective of a small professional group.

Third. H.R. 80, it is especially important to note, includes the terms, "security" and "national defense," in addition to the normal factors for such inquiry, "capacity" and "interoceanic commerce" as did the 1945 bill. The 1945 bill was drafted in the Panama Canal organization by those who later directed the inquiry under Public Law 280, 79th Congress.

Fourth. The terms, "security" and "national defense," it is most significant, were conveniently inserted in the 1945 bill and this enabled their exaggerated interpretation by the Governor as paramount and controlling, and hence a "mandate" from the Congress for a recommendation for only the indicated predetermined objection of certain professional engineers for a canal at sea level in the Canal Zone. This recommendation served to exclude from serious study what independent, experienced experts, maintenance and operation, consider to offer the best solution when evaluated from all crucial angles. Moreover, the 1947 report aroused wide professional criticisms, in and out of Government service, by eminent atomic warfare, economic, engineering, geological, navigational, and other experts, who were well informed, competent, and experienced.

Fifth. In the light of subsequent revelations, in lay and technical literature, it is fortunate that the Congress was not stampeded, for no action was taken and the 1947 report of the Governor's inquiry was not published, a procedure contrary to that normally followed in such cases.

Sixth. The Congress is far better informed today in 1964 about interoceanic canal questions than it was in 1945 and will not be fooled again by self-serving proposals for legislation.

Seventh. H.R. 80 would not supply an independent, broadly based body required by the situation but would give effective control of the resulting inquiry to the same ex parte groups primarily concerned with covering up their own errors, such as the third locks project fiasco, for which the advocacy of a vast sea-level undertaking in the Canal Zone has served quite effectively, and would leave the canal situation in a state of compounded confusion.

S. 2438, INTRODUCED BY SENATOR COTTON

First. With the exception of calling upon the President to appoint a commission of unspecified strength and qualifications, which shall

include representatives of the Panama Canal Company, S. 2438 is identical with H.R. 80.

Second. For these reasons, the remarks on H.R. 80 apply to S. 2438.

S. 2497, INTRODUCED BY SENATOR MAGNUSON AND FIVE COSPONSORS

First. S. 2497 specifically calls for a predetermined type of canal across the American isthmus at a location to be decided upon and would vest three high administrative officials of our Government with the authority to make the necessary studies, reports and recommendations in a period of 6 months, which period is entirely inadequate.

Second. Like H.R. 80 and S. 2438 previously discussed, S. 2497 would not supply an independent and broadly based commission but would only be an administrative body necessarily interested in advancing its own proposals or in defending its errors.

Third. Because of these facts, it is entirely unacceptable to informed House leadership and would not be approved by the House.

H.R. 863, H.R. 3858, H.R. 5787, AND 8563 INTRODUCED BY REPRESENTATIVES BOW, FLOOD, HOSMER, AND CLARK W. THOMPSON, RESPECTIVELY

First. These House measures are designed to provide the independent broadly based type of inquiry that the interoceanic canals problem indispensably requires.

Second. They provide for a predominantly civilian commission of 11 members, of which 8 would be civilians, and 3 from the combatant branches of the armed services, with 1 of the civilians to be chairman.

Third. Its task would be the exploration and study of all canal proposals with the objective of recommending the best site and the best type, with due consideration to all crucial factors involved, or which would include vital treaty questions of sovereignty, duration, indemnities, and annuities.

Fourth. This commission should be composed of the best qualified men, fully objective in outlook, that our country can muster. Such commission would permit selection of its members with backgrounds along the lines indicated in the following table, subject, of course, to any necessary variance:

PROPOSED INTEROCEANIC CANALS COMMISSION

Statutory requirements, desired professional background combinations

Civilian ¹ chairman, executive and engineering.
 Civilian, international trade and transportation.
 Civilian, shipping executive and marine.
 Civilian, legal and governmental.
 Civilian (engineer), nuclear warfare and channel design.
 Civilian (engineer), engineering-geology and soil mechanics.
 Civilian (engineer), engineering-geology and heavy marine structures.
 Civilian (engineer), hydraulic and flood control.
 Army-line ² (active or retired), broad military and jungle warfare experience.
 Navy-line (active or retired), broad naval and command experience.
 Air Force (active or retired), broad air and defense planning.

¹ Commission will be predominantly civilian, with one of the civilians as chairman.

² Members from the Armed Forces will be officers of the line.

VII. GENERAL OBSERVATIONS

Mr. Speaker, the United States faces a combination of canal problems equal to, or exceeding, the magnitude of those that faced our country in the early part of the 20th century, with following issues resurrected in slightly different forms: the 1902 struggle over routes, the 1903 Panama Revolution and acquisition of the Canal Zone, and the 1906 "battle of the levels" as to type.

With history now repeating itself, the challenges of today offer an opportunity worthy of comparison with that seized and consummated by President Theodore Roosevelt. To meet these challenges, the leaders in our Government, both in the Congress and the executive branch have had the benefit of extensive documentations in the Congressional Record of all of the major aspects of the problems involved.

A study of these sources will disclose little of basic character that is different from what was considered with respect to the existing canal. The only matters that are really new are the responsible personnel involved which, for the most part, have not shown themselves to be adequately versed in interoceanic canal history.

As to the oft-repeated contentions of sea level advocates concerning protection of the Panama Canal from enemy attack through passive defense measures embodied in the design of the canal, an examination of President Theodore Roosevelt's message of February 6, 1906, to the Congress, which is attached, will be helpful. This will disclose that he admitted that a "canal at sea level would be slightly less exposed to damage in event of war" but that he disregarded this assumption as controlling and decided on the basis of operational merit, engineering feasibility and costs.

In 1905-6, the debates and arguments over the type of canal centered on the questions of relative vulnerability. In 1964, the terms embodied in some some of the bills cover the same subject under the new terms, "security" and "national defense," which are mere matters of difference in nomenclature.

Upon the advent of the A-bomb in 1945, advocates of a sea level canal in the Canal Zone seized upon this powerful weapon as a psychological lever to force the Congress to authorize what was their own predetermined concept going back many years. Subsequently, some of the leading nuclear warfare and other experts of the highest eminence, in and out of Government service, opposed such misuse of the A-bomb as a weapon in propaganda and as irrelevant in the planning of navigational projects. The result was that the Congress, despite a determined drive by these advocates and their industrial supporters, heeded the warning of nuclear experts and did not accept the recommendation of the 1947 Governors' report, made under the authority of Public Law 280, 79th Congress, which urged authorization of only a canal at sea level with tidal locks in the Canal Zone.

Mr. Speaker, the entire world is watching to see what we do with regard to the increase of transisthmian transit capacity. Let us pull together on this vital matter and provide the Nation and the Congress with the indispensably needed independent commission so that this crucial policy matter can be resolved on the highest plane of statesmanship.

Above all, at this critical period in the history, we must not permit current hysteria and self-serving propaganda concerning a second canal divert us from what must be our first objectives: to stand firmly against unreasonable demands at Panama where we have a fine canal now approaching saturation and obsolescence and an adequate treaty covering the major enlargement of the existing canal. Moreover, there is no better place or way in which to make a legitimate stand for the defense of the Western Hemisphere.

To facilitate reference to the documents mentioned, I include as part of my remarks the texts of House Concurrent Resolution 105, H.R. 3858, President Theodore Roosevelt's message to the Congress on February 19, 1906, and a 1954 memorial to the Congress prepared by distinguished engineers and others who participated in the construction of the Panama Canal and which, with minor revision, applies with equal force today, and a 1964 release of the Atomic Energy Commission.

HOUSE CONCURRENT RESOLUTION 105, IN THE HOUSE OF REPRESENTATIVES, MARCH 4, 1963

Mr. Cannon submitted the following concurrent resolution; which was referred to the Committee on Foreign Affairs:

Whereas the United States under the Hay-Bunau-Varilla Treaty of 1903 with Panama, acquired complete and exclusive sovereignty over the Canal Zone in perpetuity for construction of the Panama Canal and its perpetual maintenance, operation, sanitation, and protection; and

Whereas all the jurisdiction of the Republic of Panama over the Canal Zone ceased on exchange or ratification of the 1903 treaty of February 26, 1904; and

Whereas since that time the United States has continuously exercised exclusive sovereignty and control over the Canal Zone and the Panama Canal; and

Whereas where responsibility is imposed there must be given for its effectuation adequate authority; and with respect to the Panama Canal the treaty of 1903 so provided; and

Whereas the United States has fully and effectively discharged all its treaty obligations with respect to the Panama Canal and the only legitimate interest that Panama can have in the sovereignty of the Canal Zone is one of reversionary character that can never become operative unless the United States should abandon the canal enterprise; and

Whereas the policy of the United States since President Hayes' message to the Congress on March 8, 1880, has been for an interoceanic canal "under American control," that is to say, under the control of the United States; and

Whereas the grant by Panama to the United States of exclusive sovereignty over the Canal Zone for the aforesaid purposes was an absolute, indispensable condition precedent to the great task undertaken by the United States in the construction and perpetual maintenance, operation, sanitation, and protection of the Panama Canal, for the benefit of the entire world; and for which rights, the United States has paid the Republic of Panama the full indemnity and annuities agreed upon by the two nations; and

Whereas, on February 2, 1960, the House of Representatives in the Eighty-sixth Congress, by an overwhelming vote, approved H. Con. Res. 459, favorably reported by the Committee on Foreign Affairs, as follows:

"Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that any variation in the traditional interpretation of the treaties of 1903, 1936, and 1955 between the United States and the Republic of Panama, with special reference to matters concerning territorial sovereignty shall be made only pursuant to treaty."

Whereas, because of continuing claims of sovereignty over the Canal Zone by Panama which, if granted, would liquidate United States control of the

Panama Canal and Canal Zone, a further declaration by the Eighty-eighth congress is deemed necessary and timely: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (1) the United States, under treaty provisions, constitutionally acquired and holds, in perpetuity, exclusive sovereignty and control over the Canal Zone for the construction of the Panama Canal and its perpetual maintenance, operation, sanitation, and protection; and

(2) That there can be no just claim by the Republic of Panama for the exercise of any sovereignty of whatever character over the Canal Zone so long as the United States discharges its duties and obligations with respect to the canal; and

(3) That the formal display of any official flag over the Canal Zone other than that of the United States is violative of law, treaty, international usage, and the historic canal policy of the United States as fully upheld by its highest courts and administrative officials; and will lead to confusion and chaos in the administration of the Panama Canal enterprise; and

(4) That the provisions of H. Con. Res. 459, Eighty-sixth Congress, are reiterated and reemphasized.

REPORT OF THE BOARD OF CONSULTING ENGINEERS FOR THE PANAMA CANAL

To the Senate and House of Representatives:

I submit herewith the letter of the Secretary of War transmitting the report of the Board of Consulting Engineers on the Panama Canal and the report of the Isthmian Canal Commission thereon, together with a letter written to the Chairman of the Isthmian Canal Commission by Chief Engineer Stevens. Both the Board of Consulting Engineers and the Canal Commission divide in their report. The majority of the Board of Consulting Engineers, eight in number, including the five foreign engineers, favor a sea level canal, and one member of the Canal Commission, Admiral Endicott, takes the same view. Five of the eight American members of the Board of Consulting Engineers and five members of the Isthmian Canal Commission favor the lock canal, and so does Chief Engineer Stevens. The Secretary of War recommends a lock canal pursuant to the recommendation of the minority of the Board of Consulting Engineers and of the majority of the Canal Commission. After careful study of the papers submitted and full and exhaustive consideration of the whole subject I concur in this recommendation.

It will be noticed that the American engineers on the Consulting Board and on the Commission by a more than 2-for-1 majority favor the lock canal, whereas the foreign engineers are a unit against it. I think this is partly to be explained by the fact that the great traffic canal of the Old World is the Suez Canal, a sea level canal, whereas the great traffic canal of the New World is the Sault Ste. Marie Canal, a lock canal. Although the latter, the Soo, is closed to navigation during the winter months, it carries annually three times the traffic of the Suez Canal. In my judgment the very able argument of the majority of the Board of Consulting Engineers is vitiated by their failure to pay proper heed to the lessons taught by the construction and operation of the Soo Canal. It must be borne in mind, as the Commission points out, that there is no question of building what has been picturesquely termed "the Straits of Panama"; that is, a waterway through which the largest vessels could go with safety at uninterrupted high speed.

Both the sea level canal and the proposed lock canal would be too narrow and shallow to be called with any truthfulness a strait, or to have any of the properties of a wide, deep water strip. Both of them would be canals, pure and simple. Each type has certain disadvantages and certain advantages.

But, in my judgment, the disadvantages are fewer and the advantages very much greater in the case of a lock canal substantially as proposed in the papers forwarded herewith; and I call especial attention to the fact that the chief engineer, who will be mainly responsible for the success of this mighty engineering feat, and who has therefore a peculiar personal interest in judging aright, is emphatically and earnestly in favor of the lock-canal project and against the sea level project.

A careful study of the reports seems to establish a strong probability that the following are the facts: The sea level canal would be slightly less exposed to damage in the event of war, the running expenses, apart from the heavy cost of interest on the amount employed to build it, would be less, and for small ships the time of transit would probably be less. On the other hand, the lock canal at a level of 80 feet or thereabouts would not cost much more than half as much to build and could be built in about half the time, while there would be very much less risk connected with building it, and for large ships the transit would be quicker; while, taking into account the interest on the amount saved in building, the actual cost of maintenance would be less. After being built it would be easier to enlarge the lock canal than the sea level canal. Moreover, what has been actually demonstrated in making and operating the great lock canal, the Soo, a more important artery of traffic than the great sea level canal, the Suez, goes to support the opinion of the minority of the Consulting Board of Engineers and of the majority of the Isthmian Canal Commission as to the superior safety, feasibility, and desirability of building a lock canal at Panama.

The law now on our statute books seems to contemplate a lock canal. In my judgment a lock canal, as herein recommended, is advisable. If the Congress directs that a sea level canal be constructed its direction will, of course, be carried out. Otherwise the canal will be built on substantially the plan for a lock canal outlined by the accompanying papers, such changes being made, of course, as may be found actually necessary, including possibly the change recommended by the Secretary of War as to the site of the dam on the Pacific side.

THEODORE ROOSEVELT.

THE WHITE HOUSE, *February 19, 1906.*

THE PANAMA CANAL PROBLEM—A MEMORANDUM TO THE MEMBERS OF THE CONGRESS, 1954

HONORABLE MEMBERS OF THE CONGRESS OF THE UNITED STATES: The undersigned, who in various capacities participated in the construction of the Panama Canal, venture to bring to your attention the matters hereinafter discussed:

1. The necessity for increased capacity and operational improvement of the Panama Canal—a much-neglected waterway, now ap-

proaching obsolescence—has been long recognized. The traffic volume is the highest since 1914. With the saturation point approaching, it is essential to provide, without further delay, the additional transit capacity and operational improvements required to meet future needs.

2. The two major proposals for increased facilities are:

(a) Improvement of the existing canal by completing the authorized third-locks project, adapted to include the features of the well-conceived terminal lake plan (Congressional Record, Apr. 21, 1948, p. A2449—approved in principle by the Governor of the Panama Canal in hearings on H.R. 4480, 79th Cong., Nov. 15, 1945, p. 9). A total of \$75 million was expended on this project, mainly on lock-site excavations at Gatun and Miraflores, before work on it was suspended. The terminal lake plan provides for removing all lock structures from Pedro Miguel and for regrouping of all Pacific locks at or near Miraflores, thus enabling uninterrupted navigation at the Gatun Lake level between the Atlantic and Pacific locks, with a greatly needed terminal lake anchorage at the Pacific end of the canal. As thus improved, the modified third-locks project can be completed at relatively low cost—estimated under \$600 million. The soundness of this proposal has been established by 40 years of satisfactory operation of a similar arrangement at Gatun.

(b) Construction of a practically new Panama Canal known as the sea level project, initially estimated in 1947 to cost \$2,500 million, and which would be of less operational value than the existing canal it was designed to replace, but which, under present conditions, would likely cost several times that amount. The Governor of the Panama Canal (a member of the Corps of Engineers) at that time definitely went on record as advocating none but the so-called sea level project for the major increase of canal facilities, which action served to exclude what may be the best solution when evaluated from all angles. This report, under Public Law 280, 79th Congress, was transmitted to the Congress by the President, December 1, 1947, and, significantly, without comment or recommendation. The Congress took no action, and the report was not published.

3. The terminal-lake-third-locks project has been strongly urged as the proper form of modernization by experienced civilian engineers who took part in the construction of the present canal. They have spoken from personal knowledge of the original construction. Their views are shared by many independent engineers and navigators who have studied the subject. All these insist that the present lake-lock type should be preserved as supplying the best canal for the transit of vessels which it is economically feasible to construct. They, together with many of the leading atomic warfare authorities, stress the points that the defense of the canal is an all-inclusive Federal responsibility which must be met by active military and naval measures and by industrial planning in the United States, that passive protective features embodied in construction design are inadequate, and that the proper bases for planning canal improvements are capacity and navigational efficiency. Moreover, it must be borne in mind that the effective destructive power of the atomic bomb has been tremendously increased

since the formal recommendation for a sea level canal. Any canal, whatsoever the type, can be destroyed by atomic bombing, if permitted to strike.

4. The recent authorization to expend funds for repairs and alterations of present lock structures at an estimated cost of \$26,500,000 is, as we believe, makeshift in character, and is without real merit. Consummation thereof, in lieu of fundamental improvements, will inevitably delay the basic and long-overdue solution of the problems involved.

5. In addition to the Panama projects, there are urgent proposals for canals at other locations, some of which have strong support, particularly Nicaragua. In developing a long-range Isthmian Canal policy to meet future interoceanic transit needs, these should certainly receive full and unbiased consideration.

6. Transcending personal considerations, but nevertheless to state the matter candidly, we submit that the third locks project, as originally planned in 1939 by the Governor of the Panama Canal, has proven most disappointing. We have every reason to believe that the insistently advocated sea-level project (which, as a matter of fact, would require tidal locks as well as vulnerable flood-control reservoirs and dikes) would prove to be a monumental boondoggle, costing the American taxpayer billions of dollars. Both of these efforts were directed by routine administrative agencies, and at heavy public expense.

7. We wish to stress the fact that, aside from the A-bomb, the recurrent discussions as to the relative advantages and disadvantages of the lake-lock and "sea-level" types of canal were exhaustively investigated, debated, and considered in 1905-6 when the Congress and the President decided in favor of the lake-lock plan—under which the canal was constructed, and—with the exception of certain operational defects in the Pacific sector—has been successfully operated. The operational defects, we believe, can be adequately corrected.

8. It must be always borne in mind that the greater the cost of increased facilities at Panama the heavier will be the load on the already overwhelmingly burdened American taxpayer; and that also such cost must be reflected in ship-transit tolls, with all that increased tolls imply.

9. We respectfully urge the early enactment of H.R. 1048, 83d Congress, introduced by Representative Thomas E. Martin, of Iowa, and supported by Representative Clark W. Thompson, of Texas, who introduced a like measure in the 82d Congress. Both of these experienced and highly competent legislators have been thorough students of interoceanic canal problems, which have grave diplomatic implications affecting all maritime nations and the relations of the United States with all Latin American countries—especially Panama. As to Panama, we would most strongly emphasize that among the features overlooked in the report under Public Law 280, 79th Congress, is the fact that the sea level project recommended in that report is not covered by existing canal treaties and would necessitate the negotiation of a new treaty with a tremendous indemnity and greatly increased annuity payments involved. As evidence of this it may be noted that upon demand of the Panamanian Government, and the appointment by it

of a commission for the purpose, the U.S. Government has named a like commission, to negotiate various questions, including that of the present annuity of \$430,000 (originally \$250,000), which Panama insists should be substantially increased. These negotiations began in September 1953; when the President of Panama and members of the Panamanian Commission visited Washington in behalf of the indicated demands.

10. References to the "Governor of the Panama Canal" herein apply to the incumbent Governor at the time of the stated action.

CONCLUSION

Because of these considerations, it would seem to be clear that the indicated Commission should be created without delay, and put to work, so as to develop a timely, definite, and wisely reasoned Isthmian Canal policy. Such a body should be made up of unbiased, broad gaged, and independent men of the widest engineering, operation, governmental, and business experience, and not of persons from routine agencies, all too often involved in justifying their own groups. Respectfully submitted.

James T. B. Bowles, Baltimore, Md.; Ralph Budd, Chicago, Ill.; Howard T. Critchlow, Trenton, N.J.; Roy W. Hebard, New York, N.Y.; Herbert D. Hinman, Newport News, Va.; William R. McCann, Hopewell, Va.; E. Sydney Randolph, Baton Rouge, La.; Hartley Rowe, Boston, Mass.; William E. Russell, New York, N.Y.; Caleb Mills Saville, Hartford, Conn.; John Frank Stevens, Brooklyn, N.Y.; Ellis D. Stillwell, Monrovia, Calif.; William G. B. Thompson, New Haven, Conn.; Robert E. Wood, Lake Forest, Ill.; Daniel E. Wright, St. Petersburg, Fla.

THE PETITIONERS

James T. B. Bowles, chemical engineer; in charge water supplies, superintendent filtration plants, Canal Zone, 1910-14; lieutenant colonel, Corps of Engineers, AEF; director, secretary, and technologist of Crown Petroleum Corp.

Ralph Budd, civil engineer; chief engineer Panama Railroad, 1906-09; president, Great Northern Railway; transportation commissioner. The Advisory Commission to the Council of National Defense; president, Burlington Railroad; now chairman of Chicago Transit Authority.

Howard T. Critchlow, civil and hydraulic engineer; district and chief hydrographer, Panama Canal, 1910-14; New Jersey Department of Conservation and Economic Development on water supply, construction of dams, and flood control; past president, American Water Works Association; now director and chief engineer, Division Water Policy and Supply (New Jersey).

Roy W. Hebard, assistant engineer, resident engineer, and contractor, Panama Canal, 1905-11; major, Corps of Engineers, AEF; president, R. W. Hebard & Co., Inc., builders of highways, railroads, waterworks, and divers structures throughout Central and South America.

Herbert D. Hinman, construction engineer, whose first job for the Pacific Division in 1907 was boring to find rock for the locks; assistant engineer in charge of construction of the Pedro Miguel locks, and later in the building of the fortifications on the Pacific side; president of Virginia Engineering Corp., engaged in divers heavy construction in Virginia and the Southeastern States.

William R. McCann, assistant engineer and supervisor of construction, 1st Division, Panama Canal, 1907-14; engineer, Stone & Webster, Inc.; engineer, Allied Chemical & Dye Corp.; project manager, Buckeye Ordnance Works; now consulting engineer.

E. Sidney Randolph, civil engineer, Panama Canal service, 1910-46; office engineer, designing engineer, construction engineer, principal engineer, and consulting engineer, handling various projects such as technical supervision of maintenance and lock improvement. Madden Dam and power project, exploration and investigations for additional locks, defense structures, emergency gates, increased spillway capacity, and augmented power facilities; now consulting engineer.

Hartley Rowe, electrical and construction engineer, various divisions, Panama Canal, 1905-15; engineering and construction, Lockwood, Greene & Co.; member of General Advisory Committee, Atomic Energy Commission; chief engineer, United Fruit Co.; now vice president thereof.

William E. Russell, Panama Canal Service, 1905-9, under all three chief engineers, attached to office of superintending architect, and engaged in building construction; attorney, New York City; chairman of the board of several magazines in which he has controlling interests; headed committee for reevaluation of housing in New York State; has been lifelong student of Panama Canal affairs, and of the treaties pertaining thereto.

Caleb M. Saville, hydraulic engineer; in charge Third Division Panama Canal, 1907-11, investigating foundations for Gatun Dam, flow through spillway, and Chagres River hydrology; manager and chief engineer, Hartford Metropolitan District; now consulting engineer thereto.

John Frank Stevens, life student of Panama Canal problems; son of first Chairman and chief engineer, Isthmian Canal Commission, who planned the construction, organization, and plant, and was largely responsible for the adoption of the lock-lake type of waterway.

Ellis D. Stillwell, electrical engineer; served on Panama Canal 1912-49, assistant superintendent Gatun locks, superintendent Gatun locks, and superintendent Locks Division in charge of lock operations and transits, and responsible for lock maintenance and biennial overhauling.

William G. B. Thompson, civil engineer; Panama Canal service 1905-16 supervising, among other assignments, construction of Balboa Terminal; State highway engineer of New Jersey; vice president and chief engineer, Gandy Bridge Co., St. Petersburg, Fla.; with Allied Chemical & Dye Corp. as superintendent of construction and as project manager Kentucky Ordnance Works; now consulting engineer.

Robert E. Wood, assistant quartermaster, chief quartermaster, and director Panama Railroad, 1907-14; brigadier general, U.S. Army

(retired), and later acting quartermaster general; president, Sears, Roebuck & Co.; now chairman of the board thereof.

Daniel E. Wright, civil engineer; Panama Canal service, 1904-18 as municipal and sanitary engineer, Central Division, extended subsequently to all divisions and to Panama City and Colón; contracting and consulting in Central and South America; with Rockefeller Foundation and U.S. Public Health Service as sanitary expert on various commissions to Middle East, Greece, France, Burma, China, India, Egypt, and elsewhere; captain, U.S. Army, World War I; colonel, U.S. Army, World War II.

[From the CONGRESSIONAL RECORD, May 8, 1963]

PANAMA CANAL QUESTIONS: IMMEDIATE ACTION REQUIRED

Mr. FLOOD. Mr. Speaker, since the nationalization in 1956 by Egypt of the Suez Canal and the precedent-making recognition and support by our Government of that action, the Panama Canal has been the victim of a series of diplomatic aggressions on the part of the Republic of Panama against the sovereignty and jurisdiction of the United States over the Canal Zone. Immeasurably complicated by the ratification in 1955 of the secretly contrived Eisenhower-Romon Treaty, our Government, both the Congress and the Executive, has failed to meet these assaults with forthright declaration of policy. Instead, through mistaken acts of generosity and timid attempts and placation, it has aggravated the situation in the Canal Zone, with conditions there verging on chaos.

Underlying the present sovereignty agitation, and related to it in many ways, is the transcendent question of increased transit capacity, a subject that has been under congressional consideration since the advent in 1945 of the atomic bomb. In that year, the Congress, on recommendations of administrative authorities, enacted Public Law 280, 79th Congress, authorizing the Governor of the Panama Canal—now Canal Zone—to study the means for increasing the capacity and security of the Panama Canal to meet the future needs of interoceanic commerce and national defense, including consideration of canals at other locations, and a restudy of the third locks project authorized by act approved August 11, 1939.

This construction project, hurriedly started in 1940 without adequate study, was suspended in May 1942 by the Secretary of War—Stimson—after an expenditure of some \$75 million of the taxpayers' money, mainly on lock-site excavations for parallel sets of larger locks at Gatun and Miraflores, most of which can be used in the future. Fortunately, the suspension of that project occurred before excavation was started at Pedro Miguel.

The wording of the 1945 statute, which was drafted in the Panama Canal organization that would later supervise its execution, is most significant in that this law was the first basic canal statute to include the terms, "security" and "national defense," along with the usual terms, "capacity" and "interoceanic commerce" for such laws.

Under a far more extreme interpretation of this conveniently worded enactment, those who directed the inquiry emphasized the "security"

and "national defense" factors as paramount and controlling, and even as a mandate" from the Congress for a recommendation of a new canal of sea level design at Panama. Later developments revealed that this design had been one of the undisclosed and unauthorized objectives of the 1939 third locks project.

The report of the Governor, heedless of the diplomatic consequences and costs involved, recommended only a sea level project at Panama for a major increase of transit capacity, on the basis of its alleged greater "security" primarily against atomic attack and the needs of "national defense." This action served to obscure the plan for the major improvement of the existing canal which, when evaluated from all significant angles, may be the best solution.

Forwarded to Congress by the President on December 1, 1947, and significantly without approval, comment, or recommendation, the Congress took no action and the report was not published as is usual in such cases.

In the ensuing discussions of the 1947 sea level recommendation in the Congress, distinguished Members described its significant features and exposed the fallacies upon which it was founded. Notable among those discussions were statements by such leaders as Chairman Fred Brandley and Schuler Otis Bland of the Committee on Merchant Marine and Fisheries and Representatives Thomas E. Martin and Willis W. Bradley, all of whom strongly opposed the sea level proposal.

The special attention of the Congress is invited to two addresses by Representative Willis W. Bradley, which admirably clarified the issues and made strong appeals for an independent inquiry: What of the Panama Canal?" Congressional Record, April 21, 1948, page A2449; and "The Why's of the Panama Canal," Congressional Record, March 4, 1959, page A1303. With minor revision, the arguments presented in these two addresses apply with equal force today.

Unfortunately, nothing specific was done in this regard until 1957, when the Committee on Merchant Marine and Fisheries, pursuant to House Resolution 149, 85th Congress, appointed a part-time board of consultants to investigate the short-range plans for improving the Panama Canal.

This board made no new field engineering studies and based its report on data and studies made by others for the Panama Canal Co., or by the staff of the company. Its report, House Report No. 1960, 86th Congress, signed on June 1, 1960, recommended no action toward a major increase of canal capacity, but that the entire situation be reviewed in 1970, or an appropriately earlier date if traffic estimates are exceeded.

The time, Mr. Speaker, has now come for our Government to undertake the important task of deciding upon the matter of increased transit capacity for the Panama Canal.

For this purpose, there are a number of bills now before the Congress, which I wish to discuss briefly.

One group, illustrated by H.R. 863, introduced by my colleague from Ohio [Mr. Bow], and H.R. 3858, by myself, would create the Inter-oceanic Canals Commission. This independent body would be directed to study, first the question of increasing the capacity and operational efficiency of the present canal through adaptation of the

suspended third lock project to provide a summit level terminal lake anchorage in the Pacific end of the canal to correspond with that in the Atlantic end; second, the construction of new canal of sea level design at Panama, and third, the question of a second canal. Consideration of the treaty and territorial rights involved, which so far have been ignored, would be one of the main features of this inquiry.

An entirely different approach, however, is represented by H.R. 80, introduced by my colleague from North Carolina [Mr. Bonner]. This bill would authorize the Panama Canal Company to study the means for increasing the security and capacity of the Panama Canal or construction of a new canal to meet the future needs of interoceanic commerce and national defense. The key terms of this bill are identical with those of Public Law 280, 79th Congress, and equally ambiguous. Nor do they provide for consideration of the treaty or territorial questions involved. Moreover, it would keep the inquiry under the control of the same advocates who have long had the predetermined objective of a sea level canal at Panama for reasons other than navigation.

These advocates, Mr. Speaker, have unjustifiably opposed any major improvement of the existing waterway on the ground that such improvement would delay "conversion" to sea level. This is no reason at all, but a challenge to which the Congress should be alert. Every factor in the situation demands that the question of the future increase of transit capacity should not be undertaken by administrative agencies but by an independent body under congressional authorization, which should be composed only of those of the highest qualifications.

In anticipation of the present situation, I requested Mr. Edward Sydney Randolph, of Baton Rouge, La., a former member of the 1957 board of consultants, to review the 1960 report of that body which he has done in a letter to me dated April 5, 1963. The fact that he was not a member of this board during its consideration of the long-range program left him free to comment upon its report objectively.

His long service in the Canal Zone in responsible engineering capacity, familiarity with the problems involved, independence, and vision, enabled him to prepare specific comments of rare merit that reflect a lifetime of observation and study. Not only that, his knowledge has enabled him to present a most constructive engineering program that should be considered only by an independent commission, with powers as set forth in H.R. 863 and H.R. 3858.

Every consideration in the overall subject demands that our Government energetically strive to create the Interoceanic Canals Commission at the earliest date, for too much time has already passed.

In these general connections, we must not overlook the fact that the well-known and tested Terminal Lake-third locks solution for the Panama Canal would not require the negotiation of a new treaty with Panama, but that the sea level proposal would so require. The first is covered by existing treaties but the latter is not so covered. These features in themselves ought to be sufficient to determine the matter; but, in any event, the proposed commission would consider this important treaty question.

An indispensable prerequisite before undertaking any plan for the increase of capacity of the Panama Canal or for a second canal at

another site is the clarification and reaffirmation of U.S. sovereignty over the Canal Zone, which is constantly being contested by Panama. Such results are contemplated in House Concurrent Resolution 105, introduced by the gentleman from Missouri [Mr. Cannon], and House Concurrent Resolution 113, introduced by myself.

Mr. Speaker, delay and confusion have, for too long, plagued the situation on the isthmus as regards the sovereignty of the United States over the Canal Zone and also the determination of an adequate plan for increased transit capacity and operational improvement of the Panama Canal. The time has come for action, for which the 1960 report of the Board of Consultants was a constructive first step.

In order to make Mr. Randolph's statesmanlike engineering analysis of this 1960 report easily available not only to the Congress and the Executive, but as well to all interests concerned with interoceanic commerce and have to bear the costs of tolls as well as the nations at large. I quote it as a part of my remarks:

BATON ROUGE, LA.,

April 5, 1963.

To: The Honorable Daniel J. Flood, House of Representatives, Old House Office Building, Washington, D.C.

From: Edward Sydney Randolph, registered professional engineer, life fellow, American Society of Civil Engineers.

Subject: Panama Isthmian Canal—Bill to create an Interoceanic Canals Commission.

Reference: Letter of Congressman Flood to E. S. Randolph dated October 4, 1962, and later matter.

DEAR MR. FLOOD: This is in response to your request for comments on the above subjects.

A list of references is at the end of this letter. For brevity references will be to year and page number. Most references are to the 1960 consulting board report. Although I served on the Board while it produced the short-range program, July 15, 1958, published as a committee print, I did not contribute to the long-range program, nor did I know what the contents were, until after its publication. The short-range program has long ago been implemented.

To reduce confusing details, this letter will deal chiefly with the locked-in parts of the Panama Canal from Gatun locks at the north to Miraflores locks at the south end. The 1960 board report states at page 8, "The sea-level sections may take traffic in both directions simultaneously." The sea level section from Gatun to sea is nominally 6.43, and at Pacific end, from Miraflores locks to sea is nominally 7.41 nautical miles. (Pilot's Handbook, revised 1956. p. 17.14.)

If in the remote future, there will be a need for some improvements to the sea-level sections of the lock-canal, it might be economical to perform these operations when needed and not associate them with any program for new locks. The sea level sections do not seem to be limiting factors to the capacity of the canal.

The several very distinguished members of the board which produced the long-range program, signed June 1, 1960, were engaged for almost 3 years on the short- and long-range programs. Significant is the statement (1960 p. 1) "No new field engineering was done for the purpose of this report. It is based on data and studies made

by other for the Panama Canal, or by the company's staff." Under the circumstance, I do not know how they could have produced a better report at that time. I do not question their findings. At the time of signing, the board possessed far more late information than I. In this letter, I hope to show reasons why the inquiry should be energetically continued at an early date. Any discussions in this letter are to point up the need for inquiries, not with the intention of deciding any other issues.

The Board was provided with several plans and estimates for lock-type and sea level canals at the Canal Zone. The Board made some comments on them but did not recommend any for construction.

Several names have been used to differentiate the several lock-canal plans, but obviously any third lane of new locks will, in fact, be a third set of locks. There are wide differences in estimated costs, times required for construction, dimensions of lock chambers and conveniences of operation in the lock plans offered to the Board and shown in the 1960 Board report. There might be more and different plans for locks developed, perhaps leading to something superior, if further investigations were vigorously and objectively pushed, by a representative group of able men, empowered to act. The proposed bill, H.R. 3858, to create an Interoceanic Canals Commission, now before Congress, would be the best agency for securing the best plan for the future Panama Canal—or a canal in any other place.

The 1939 report (H.D. 210, 76th) led to the authorization by Congress of a third set of locks. Construction was started July 1, 1940, but was suspended by the Secretary of War in May 1942, due to shortage of ships and materials more urgently needed in wartime. (*Encyclopedia Britannica*, 1961, p. 173.) Construction was not resumed. Other plans were put forward—for a sea level canal, and a third lock canal which would elevate the Miraflores Lake to summit level (the Terminal Lake Canal). These two were widely publicized and discussed. (See 1949 *Transactions of the Am. Soc. C.E.*, vol. 114, pp. 558-906.) Accordingly, it appears that the lock-canal plan is still the one approved and favored by Congress. But events since the Board report dated June 1960 would justify a new look at all lock-canal plans heretofore published and others to be devised.

In the 1960 report, I found no recommendation for the resumption of the lock construction program. However, at page 7, recommendation 7, is stated:

The entire situation should be reviewed in 1970, or if the present traffic estimates are appreciably exceeded, at an appropriately earlier date.

At the time of signing the report, it was doubtless quite clear that a new examination of the matter should be based solely on traffic density. But the situation will be different after year 1967, when it is expected that the enlargements recommended in the 1960 report will be accomplished. Also, the investigations recommended by the Board are yielding data, which should be evaluated by the proposed commission.

In the 1960 report, at page 38, is shown "Plan 1: Interim Improvements to Present Canal (cost \$61 million)." The interim program is all that was recommended for construction. Other recommendations included various investigations, one concerning the construction of a sea level canal and another concerning water supply for lockages.

What will happen after the year 1967? Should the United States be ready with the best plan for construction of new locks, in case of need? Even those lock plans revised in 1958 (1960, p. 319, App. 3) are not on a comparable basis. How can the best plan be found? It is probably true that a third flight of new locks can be constructed in much less time than any sea level canal, and for a fraction of the first cost.

After the year 1967, there will be an ample waterway from lock to lock. So deep that the full increase in depth will not be required for a long time. The original locks will have some perfections added but will limit the size of the maximum ship to 102 feet wide, 800 feet long, and 38 feet fresh water draft (1960, p. 38). When only one lock lane is available the maximum traffic will be 38 lockages in 24 hours (p. 19). It was estimated that the outage time of one chamber could be reduced to 72 or 96 hours, for repairs (p. 19). That is 3 or 4 days. If during one of those 3-day periods transits happened to be at a peak rate there could be a piling-up of ships. The maximum peak day rate in 1959 was 39.2 transits (1960, table at p. 24). Estimated peak day traffic for 1976 was 47.1, and for year 2000 was 61.9. While these possibilities of delays to ships during several days do not seem alarming now, the situation needs consideration together with the overall planning of the future canal. At page 19, is the statement:

If these outage times can be selected for minimum traffic interference, the maximum capacity could be achieved.

1960, page 17:

Basically, the absolute measure of the canal capacity is the maximum number of lockages that can be processed in 24 hours.

And at page 21:

It is generally predicted that the capacity of a single lock lane would be insufficient at times to meet the needs of expected traffic beyond the year 1960.

It is time for a hard new look at the several problems as they will be influenced by the passage of time, interim improvements, the yield from the investigations recommended in the 1960 report, and by other scientific advances. Congress must decide all major questions based on sufficient information. A commission can present data, to Congress, based on the commission's massive investigations. Engineers, and other experts, employed by the commission, can provide answers to lesser questions and information for consideration by the commission.

In the press there have been statements to the effect that some improvements in capacity of the American Isthmian Canal will be required by year 1980. If true, the leadtime is running out. Such statements are subject to question by a representative body such as a commission. For each proposed plan in the 1960 report is shown a construction schedule. The minimum is $8\frac{1}{2}$ years for lock construction including 2 for engineering and administration (1960, p. 373). At pages 382 and 386 are shown construction schedules for Plan III—Consolidated Third Locks (Terminal Lake) and Plan IV—Zone Sea Level Canal, both 12 years for completion after authorization. These schedules are for necessary work after authorization (1960, p. 324). To be added to the above time periods are the time for congressional action and before that time for commission actions. There is so vast

a field for investigation that several years might be required by a commission alone.

Crash programs are costly and likely to be far from the best. The only possible means for the full accomplishment of all the interlocking inquiries concerning an enlarged waterway would be by means of the proposed commission.

Each basic fact relating to the problem has a number of variations and different advocates.

The interim improvements recommended by the 1960 board included the deepening of the summit level by 5 feet, from nominal fresh water depth of 45 feet to 50 feet, or 11 percent, and for the widening from 300 to 500 feet minimum, or 67 percent, and this is expected to be accomplished by year 1967. In the meantime all commercial tonnage applying for passage is accommodated by the original channel while in the process of widening and deepening. The installation of lights and signals along the canal, already implemented, will enable vessels to pass in both directions simultaneously during night or day (1960, p. 302):

Lighting both Gaillard Cut and the locks would * * * increase the capacity * * * by permitting two-way traffic in Gaillard Cut during darkness, thus making 24-hour operations possible.

It is implied that the widened and deepened canal will (except for the locks) have ability to handle the traffic, in tons, until the year 2000 (1960, p. 3, conclusion 8):

Comparison of capacity and demand also shows that even the present canal, after completion of the short-range program and plan I, will have fully adequate capacity to meet the demands of traffic beyond the year 2000 * * * except * * * when repairs or overhauls are being made to the locks.

And at page 26: "The life of the dredged channel can be perpetuated by periodic dredging."

From the above, it might be construed that there need be no more massive deepening or widening programs for the waterway as far as man can foresee. (Even the 37-foot salt water draft of the carrier U.S.S. *Constellation* would be comfortably accommodated.)

The added depth, particularly in the restricted Gaillard Cut, will permit some extradrawdown of Gatun Lake level in dry seasons, which will permit some added electric power generation at the Gatun Station. At first this will permit a certain amount of fuel saving. But as ships increase in size it is probable that the minimum lake level will again be increased. The water level must provide sufficient depth above the lock sills at Gatun and Pedro Miguel to float ships conveniently.

At page 25 of 1960 report is stated:

(d) Water supply: The usable water supply in Gatun Lake is increased under this plan * * * by deepening the channel 3 feet more than required for ship maneuverability. With this increase the water supply is considered adequate for the operation of the canal as reconstructed under this plan.

The authors of the report seem to have taken a long look ahead—to the time when the third flight of locks is a reality. Then the 3 feet added depth will be very welcome for larger ships.

The minimum depth of 47 feet (occurring only at ends of long dry seasons) should suffice for many years, if new and deeper locks are provided. If deeper water will ever be a necessity, at that date consideration might be given to adoption to a higher minimum level which

would lend itself to a gradual increase in depth; or to lowering the bottom of the canal, which would need to be done in a larger step, to be economically performed. It must, at some time, be decided which expedient will be adopted, how much increase in depth at one time, and when the deepening will be imperative, if ever.

A full inquiry by the commission might show that the channel, harbor, and aids to navigation will not require large improvements above those accomplished and now in progress within the predictable future. Also that the dates of the needs for larger locks, deeper channels, and added water supply may be based on different factors.

In the cost estimates, provided for consideration by the consulting board, starting at page 389 of the 1960 report, for additional locks, are shown items which might not be appropriate after the current program of widening, deepening, lighting, etc., of the channels is completed. Assume the waterway will then be adequate until some time like year 2000 (too far ahead for any accurate forecast). In that case a third lane of new and larger locks will accommodate practically all traffic, even very large ships.

Under the above assumption, there would fall from the cost estimates those items already accomplished, in whole or in part, such as channel deepening and widening, lighting, signals, harbor improvements, and ship salvage facilities; none of which would need attention merely because there were larger locks and probably would need only maintenance for a very long time.

If these items are deducted from the cost estimates, as shown on table 1 (following), the costs (1939) would be reduced to—

For plan II, 3d locks, reduced amount.....	<i>Millions</i> \$468
For plan III, Terminal Lake—3d locks.....	875

The published estimates in the 1960 report are not in so much detail that I can determine exactly how much of each item should be excluded as unnecessary to the functioning of any of the locks.

TABLE I.—[Part or all of the following items in estimated costs might be found unnecessary or inappropriate for any new cost estimates for a new flight of locks in the Panama Canal]

	Plan II, 3d locks	Plan III, consolidated 3d locks (Terminal Lake), 3 lifts
Page references, 1960 Board report.....	389, 390	393-395
Items 3 and 4. Channel excavation.....	\$197, 770, 000	\$204, 010, 000
Item 5. Harbor improvements.....	3, 300, 000	12, 950, 000
Item 6a. Excavation, unclassified.....	17, 180, 930	
Item 6b. Excavation, unclassified.....		
Item 6c. Excavation, unclassified.....	15, 321, 250	
Item 12. Aids to navigation.....	11, 500, 000	
Item 11. Aids to navigation.....		11, 498, 000
Item 11. Ships salvage facilities.....		8, 240, 000
Total.....	245, 072, 180	236, 698, 000
Engineering design and supervision, exploratory work, and inspection of materials (at 8 percent).....	19, 606, 000	18, 936, 000
Total (assumed deductible).....	264, 678, 000	255, 634, 000
Original total estimated cost.....	733, 080, 000	1, 030, 310, 000
Balance, original total less deductibles.....	468, 402, 000	874, 676, 000

NOTE. It is possible that for plan III and additional item of \$23,000,000 would be deductible, it being "Excavation unclassified" at Gatun.

I have not seen costs, on a comparable basis, for the plan III, the Terminal Lake plan, and plan II, the third locks plan. Those presented in 1960 are based on plans so different in size and other respects that a cost comparison cannot be found. In plan III, the construction of the two upper chambers, in Miraflores Lake, to make the Miraflores locks a continuous three-lift affairs to summit level, would be terribly difficult, long drawn out, would make navigation during construction very inconvenient. The cost for the two parallel chambers, about \$178 million (1960, p. 394) would go far toward building another three-lift lock at Miraflores, if of reasonable size. The construction time would be shortened from 12 to 8½ years (p. 381) and would not interfere with traffic during construction. Each of these items would materially reduce the cost of the project.

The chamber size of 200 by 1,500 feet for plan III, new locks, is a carryover from 1947 studies. The horizontal area is 78 percent greater than for locks 140 by 1,200 feet. The U.S.S. *Constellation* is 252 feet wide. Any lock large enough to accommodate such craft as the *Constellation* would have no commercial value. However, the enlarged waterway (except locks) would carry the *Constellation*. If it were found necessary to accommodate such vessels, a special lock at each end of the canal might be built and operated for the account of the Navy Department. Due to probable infrequent use, there might be possible some economies of construction. Obviously, if such a lock system were ever to be built, the cost and inconvenience would be much less if the locks were built in only two, rather than three locations.

Water control: Most essential for floating and locking vessels. This tremendously involved subject is too time consuming for direct consideration by Congress. Better that engineers work up the data, then a commission draw conclusion for submission to Congress.

It is axiomatic that the Gatun Lake was developed as an integral part of the waterway. The lake is wholly within the Canal Zone but most of the watershed is in the Republic of Panama. Thus the Republic of Panama is free to build reservoirs on the upper watershed for their own purposes, such as municipal uses and possibly for power. However, any spillage from such reservoirs would almost inevitably flow into the Gatun Lake. This use of water by the Panama Republic will become the subject of news items, I feel sure.

"Water supply appears to be adequate for lock operation and for municipal uses" (1960, p. 24). And on page 723: "In the present canal, therefore, the available water supply will be ample for anticipated traffic beyond the year 2000."

Probably, by the year 2000, considerable pumping into Gatun Lake will be required, of sea water (or brackish water) from one of the sea level approaches to the locks. The cost was estimated at \$250 per lockage, year 1931 (report, 1931, p. 31). Now the costs will be more. The procedure for operating pumps is subject to variations in order to meet varying needs. To limit the cost in plant and in power demand (in kilowatts), a program wherein the pumps would be operated for a longer period than for the period of actual need of extra water for depth and for lockages might be worked out if scientific forecasting is somewhat improved by the end of this century. In any case, if too much water were pumped, it could be later used to generate part of the power consumed in the pumping. The subject is very complicated.

It is one for consideration of a commission with the advice of engineers.

Pumping water into reservoirs is not new. At the newly finished Robert Moses Niagara powerplant (National Geographic, April 1963, p. 581) :

At night when power demand is low, Niagara-powered electric pumps store water in reservoirs. During the day's peak demand, the stored water flows out through the same pumps, which become turbogenerators producing more electricity.

For a long time the Gatun Lake has been mildly saline at the upper ends of the terminal locks, due to the mixing action caused by the filling jets in the lock floors. The heavier saline water lies at the bottom of the lake or cut. With heavier pumping the salinity might become objectionable when water is intended for municipal uses. By the time pumping in large amounts becomes necessary, great advances in the desalting of water will have been made. In Barron's magazine, April 1, 1963, at page 3 is stated: "A plastic-like membrane * * * filters dissolved salt out of water."

Electric power: Traditionally water has been drawn from Gatun Lake to generate at Gatun Station. As lockages increase, water for power must decrease (1960, p. 24). "There is not enough water for hydroelectric units to generate all the power required for the Canal Zone in the dry season and in some subnormal rainy seasons." And at page 22, is stated :

There is insufficient diesel power generating equipment on the isthmus to handle all power requirements.

In the 1960 report, page 25, at bottom, reference is made to "* * * deepening the channel 3 feet more than required for improvement of ship maneuverability." It is implied that the lake level can be lowered by all or part of this 3 feet, and so provide added water during dry seasons. That is, only 2 feet of the 5-foot deepening in plan I, was for maneuverability. In early years this would permit saving in fuel for power generation. The proposed lowering of lake bottom to elevation 30, for plan III (1960, p. 29) would permit more drawdown, but would deprive the old locks at Gatun of much useful depth. The cost of deepening to elevation 30 would be tremendous. I cannot make an exact determination of it from the estimates in the report.

FINANCIAL MATTERS

The financial policy of the Panama Canal has not been quite like that of a commercial enterprise. One test might be: Could a new flight of locks be financed by a bond issue sold to the public? The answer is obvious, because experience shows that the original investment would not be recovered.

From report, 1960, page 2:

Unless improvements are made for security reasons alone, the carrying charges of all capital expenditures, including appropriate amortization, as well as cost of operation of the canal, should be borne by canal tolls.

Any new cost analyses might very well include amortization as favored by the 1960 board.

There is talk of constructing another canal, away from the present one. Should we so multiply our financial losses?

A new canal, at some other location, would, besides the construction cost, involve the duplication of many plant items, now on the Canal Zone, and at modern prices. Some items are; accommodations to foreign countries, land rental, harbors and harbor facilities (including drydocks and repair shops), dams and reservoirs, waterworks, power system, fuel stores, industrial plant for operations, storehouses, dwellings, community buildings, roads, and streets, sanitation and hospitals, telephone system, possibly a railway. (There is also the installation system for national defense.)

It seems overoptimistic to assume that a better treaty, or perhaps one as good as we still have with the Republic of Panama, could be negotiated.

All of the plant items, now in operation on the Panama Canal would serve as well with a third flight of locks as they do at present. Any needed additions would serve to increase the volume of business and should reduce the overhead and other operating costs, per vessel in transit.

It would be impossible, of course, to make an offhand cost estimate of the ancillary items above listed. I would not be surprised if it exceeded half a billion dollars.

A businessman's view point might indicate that the plan requiring the smallest outlay of money, over the years, would be most likely to succeed.

Other lock plans suggested for study: It would be interesting and possibly very valuable to have at least two lock canal plans investigated by a commission. One to be a variation of the plan II, Third Locks Canal which would bypass Pedro Miguel locks on the west side, and have a duplicate of the Gatun new locks at the Miraflores site, and a channel on west side of Miraflores Lake.

The other would be a variation of plan III, consolidated Third Locks Canal (in the 1960 report), better known as the Terminal Lake plan, which would naturally follow the completion of the plan II variation having the bypass channel ready, the second Miraflores flight of locks would be simple to accomplish, relatively inexpensive. Then with two new locks at Miraflores, the completion of the Terminal Lake would be the final step.

Both plans could make use of the enlarged waterway between locks as well as the sea level sections, without change. Both would be designed to the same dimensions, having locks, probably 140 by 1,200 feet in plan and about 50 feet deep, or any more appropriate size selected by the commission. Both would include, in construction cost, only the new locks, approaches, and such essential appurtenances required to make locks workable.

By omitting the new Pedro Miguel west lock there would be saved costs of 4,500 feet of lock and approach walls, 260 linear feet of lock floor, two caisson seats, and a pair of gates. Also the bottom of the excavated bypass channel would be about 27 feet higher than in case of plan II. There would be savings in cost due to working in only one location at the Pacific end of canal. There would be savings in operating and maintenance costs.

There need be no change in the Gatun locks as now planned, unless the dimensions are changed. Both, of course, being at the same dimensions, as adopted for the Pacific end.

In the first plan (bypass Pedro Miguel locks), the cost of the bypass channel would be involved. The channel would pass along the west side of Miraflores Lake. The present canal channel and the new would require separation by a substantial dike, which would later be removed when the Terminal Lake permanent structures were completed. The difference in water levels would be nominally from 54 feet to 85 feet. But the summit level could possibly rise, during a great flood to 92 feet. About 38 feet would be the difference in water levels to be provided for.

In the first plan, the completed arrangement on the Pacific end would match that at the Atlantic end of the canal. One flight of locks at each end, from summit level to the sea in three steps. It appears that the variation of plan II, above described would be less costly to construct than plan II with locks at three locations.

The greater saving resulting from the suggested plan above would be realized when a second lock were placed at Miraflores beside the first new lock—then both would be served by the same bypass channel. (If a special lock for aircraft carriers were added, the saving would again be realized.)

For the Terminal Lake plan, here suggested, the elimination of the two upper chambers at the old Miraflores locks would make available a saving in cost of about \$178 million (1960, p. 394). That would go far toward the construction of a second lock for the new twin locks at the west Miraflores site, required for the Terminal Lake plan. Shortening the construction period would make a material saving in first cost. Avoiding any interference with traffic during construction would make a large saving. The old locks need not be altered at all until it was time to abandon them and complete the closure of the Terminal Lake at Miraflores.

After construction of a pair of twin locks at Miraflores west site, the final step in the completion of the Terminal Lake plan would include the enclosing of the Miraflores Lake to permit its surface elevation to be at summit level, the relocation of facilities involved and the removal of part or all of the old Pedro Miguel locks.

It might be prudent to try for the single lock at Miraflores with the Pedro Miguel bypass channel first because of the relatively small outlay in money. Later, at the appropriate date, develop the second lock at Miraflores. (If this date is not too remote, it might be possible to get along with only one new lock at Gatun while using the old Gatun locks. This expedient would greatly reduce the second outlay of money, and permit some of the money to be used to elevate the Miraflores Lake.)

My personal feeling is that the step-at-the-time construction program would be easier to finance. Any of the items of construction is large enough to avoid the objections to small contracts.

The following steps can be financed singly, or in combination:

1. Build a flight of new locks at Gatun and one at Miraflores, with bypass channel west of Pedro Miguel locks and in west side of Miraflores Lake.
2. Build second west Miraflores lock, use same bypass channel.
3. Raise Miraflores Lake.
4. Add second lock at Gatun, east.

Sincerely yours,

E. S. RANDOLPH.

REFERENCES

1. The 1931 report, House Document No. 139, 72d Congress, 1st session, by U.S. Army Inter-oceanic Canal Board.
2. The 1939 report, House Document No. 210, 76th Congress, 1st session, by the Governor of the Panama Canal, "Report on the Panama Canal for the Future Needs of Inter-oceanic Shipping."
3. The 1947 report, "Report of the Governor of the Panama Canal," under Public Law 280, 79th Congress, 1st session, Isthmian Canal studies, 1947.
4. The 1958 report, "Improvements to the Panama Canal—Short-Range Program," July 15, 1958, by Board of Consultants, Isthmian Canal studies, committee report, Committee on Merchant Marine and Fisheries.
5. The 1960 report, House Report No. 1960, 86th Congress, 2d session, by Board of Consultants, Isthmian Canal studies, "Report on a Long-Range Program for Isthmian Canal Transits," signed June 1, 1960.
6. The 1949 volume of transactions of the American Society of Civil Engineers, volume 114, pages 558 to 906. Contains a paper by Capt. Miles P. DuVal, "The Marine Operating Problems of the Panama Canal and Their Solution." Describes at length the Terminal Lake plan and has been widely read by engineers. Also are many papers relating to the sea level subject. This is the only reference containing discussions from both sides.
7. Encyclopedia Britannica, 1961 edition, pages 172 to 174.
8. U.S. Naval Institute Proceedings, March 1963, at page 152, shows overall dimensions and draft of the aircraft carrier *Constellation* (1,047 feet long by 252 feet wide by 37-foot draft. Completed December 1961.
9. Panama Canal Company, Pilots Handbook, revised 1956.

BATON ROUGE, LA.,
April 20, 1964.

HON. DANIEL J. FLOOD,
*Member of Congress,
House of Representatives,
Washington, D.C.*

DEAR MR. FLOOD: In reply to yours of April 10, concerning policy statement of Dr. Milton Eisenhower, shown in the Congressional Record, April 8, 1964, pages 7192-96, this statement appears to be a political paper by the opposition to the party in office. The injection of the highly advertised issue regarding the Panama incident, the sea level canal issue and some proposition for a solution of all the problems there was probably to attract the maximum attention. I suspect, also, that the proposals are intended to alleviate the sense of shame felt by patriotic Americans when, in 1960, the flag of the Panama Republic was raised over the zone.

The premise that a sea level canal will be built is entirely without substantial foundation and will be untenable unless the Congress so orders. Also the proposition that we must abandon the present fine canal and donate it to the Republic of Panama is intolerable to a person experienced with the building, operation and financing of the original canal. The very weakness of the proposed policy proposed in the statement will give much comfort and encouragement to those who are greedy and contriving to take over any U.S. property within reach.

Dr. Eisenhower is no doubt a splendid man in his own field. But any efforts in the field of Latin American policy might better be left to our many trained and experienced diplomats. In this way we might tend to avoid some incidents and defeats in the future.

With the Panama flag flying over the Canal Zone, the Governor is serving under two flags. An impossible situation on its face. I agree

that the Governor is actually the Manager of the Panama Canal Company, hence is employer of any Panama workers there. As long as the United States maintains an Embassy in Panama, the Governor should not attempt to make policies with respect to Panama citizens. All of our recent difficulties are the result of making Panama a no man's land. The fight will continue as long as that is the case. Let us admit someone made a mistake, and now we have proof of it so only one flag will fly over the canal in the future.

At page 7194, column 2, upper, "insist that the \$460 million of debt owed by the Canal Company to the U.S. Treasury be assumed and repaid by the Panama Government."

Even if we were to give away the Panama Canal, I would say the idea that Panama should promise to pay a debt we owe to ourselves is an absurdity. If we wish that debt paid we need only to increase tolls a little and dedicate that extra revenue to debt reduction.

At page 7195, first column, upper, "the present canal could handle most traffic, other than the largest ships, for about another 25 years."

Twenty-five years is a long time in this disturbed world. Will the old locks hold up that long? Will the present rate of growth of shipping continue? We would be wise to reinforce our hold on the present canal and zone and also to see to it that Panama does not go the way of Cuba. Before 25 years have passed, there will be needed larger, stronger locks; for otherwise, we will lose much in tolls from the larger size ships and perhaps more important the continued development of trade through the canal. The new locks would be several times stronger than the old (built 1909 to 1914). The scientists and engineers would see to that, and make them very resistant to attacks from nature and man.

At page 7195, third column, lower:

When a new (sea level) canal has been built * * * donate the homes, schools, hospitals, and other facilities * * * to the Republic.

Of course, I do not believe a sea level canal can be justified as a business venture, whereas an improved lock canal can. The facilities only a few mentioned are worth a half-billion dollars or more. If they were donated, the Panama Republic would be left without income as traffic would be diverted to the other canal. The result of taking that income from Panama would be chaos. No indemnity could be large enough to compensate for the jobs and income Panama does and will receive from the Panama Canal while owned, operated, and controlled by the U.S. Government. This donation, hence abolition of the canal to Panama, would be the most costly way possible to end the error of 1960 when the Panama flag was flown over the canal.

For the present, let us hold fast to what we have, and make no new promises of gifts. If and when we find a better way to handle ships, and at less cost, then we might take up the necessary revisions to treaties. We must cease our endless retreat for we are not guilty.

I enclose two clippings from the Times Picayune, New Orleans, giving an account of the troubles of handling a too big merchant vessel in the Mississippi River. These outsize ships will become unpopular, I think.

Yours sincerely,

E. S. RANDOLPH.

BATON ROUGE, LA.,
January 24, 1964.

Subject: Sea level canal by nuclear excavation—need for a commission.

Hon. DANIEL J. FLOOD,

Member of Congress,

Washington, D.C.

DEAR MR. FLOOD: 1. This answers Mr. Flood's letter dated January 8, 1964, inviting my comments and suggestions on the matter contained in the documents listed below, relating to plans and estimates for nuclear blasted canal through the American isthmus. These plans seem still to be esoteric.

(a) Dated January 1960. "Annex VI. Isthmian Canal Plans—1960," "Engineering Plan for Construction of a Sea Level Canal by Nuclear Methods" by a private engineering firm. Although this document is 4 years old, I was unable to see it before this month.

(b) Dated June 9, 1962. "Plowshare program, Project Sedan, Application of Nuclear Explosives for Peaceful Purposes." U.S. Atomic Energy Commission. This explains the need for Project Sedan using shots larger and deeper in the ground than formerly made.

(c) Copy of a letter from Chairman, AEC, to Hon. Daniel J. Flood with two enclosures (date of letter not reproduced, about August 1963).

(1) Enclosure: Cost estimate for canal on Route 17 (not dated).

(2) Enclosure: Eight documents described below.

(d) Eight documents of AEC having the general title "Project Sedan, Nevada Test Site, July 6, 1962." The date appears to refer to date of a detonation for experimental purposes. The documents appear to evaluate the effects of the nuclear blast with regard to various aspects—radiation, fallout, ejecta, seismic, etc.

2. The January 1960 document was prepared in the manner of a preliminary engineering study and is more graphic and easily followed by the uninitiated than the others listed. However, because of the intensive work on nuclear devices it is probably largely obsolete after 4 years. It is stated in the August 1963 letter that the enclosed cost estimate is from a non-AEC report that is not publicly available. When and if said report becomes available we can hope that it will contain more description, plans, quantity estimates, and other pertinent data than has yet been shown. Then a commission of widely experienced engineers and others will better be able to judge of its merits.

3. The data contained in letter from AEC, August 1963, probably presents a later, hence more accurate, cost estimate for a canal. However, it is more difficult to understand than a proper engineer-type estimate supported by sufficient maps, drawings, and quantities of work involved. Its quantitative data is mostly limited to the nuclear blasts. Naturally, a string of blast holes is only a part of the ship canal.

4. The cost estimate next above totals \$750 million, which is practically the same as contained in the engineering report dated January

1960. However, differences in some items indicate the older estimate was worked over or made new.

5. The data furnished me indicates that a cut through the isthmus can be made by nuclear devices and I have no means of challenging the cost figures for the open cut. However, the uncertainties of costs of atomic materials and services (August 1963) is shown by the statement that charges for "minimum yield plan" are \$470 million, and for "minimum yield plan" are \$203 million. The tentative sum used for that item was \$250 million. This is explained by the expectation that very substantial reductions in nuclear costs can be realized. By this time a more precise evaluation may be known to the AEC.

6. Lack of former experience in canal excavation by nuclear blasting is evident in the cost estimates. As everyone knows, no such work has been done (unless by the Soviets). The large contingency items introduced in places are perhaps necessary. It is an enormous project to contemplate without previous experience. A remark attributed to Mr. John S. Kelly, Director of AEC, in U.S. News & World Report dated June 10, 1963, at page 74, follows:

He suggested feasibility should first be shown on a job in the United States such as nuclear evacuation of part of the proposed waterway to connect the Tennessee River with Alabama's Tombigbee River.

7. A weighty uncertainty in predicting costs of nuclear excavation in a ship canal will be the heights of ridges left between adjacent craters. These ridges must be cut down to canal dimension by dipper dredges or dragline dredges, and such conventional excavation is costly per cubic yard. If shots are placed close together to avoid ridges more shots and cost will result. Probably knowledge could be gained as the work progresses, but such would prolong the period of nuclear excavation. For instance, a few holes loaded and exploded according to theory would produce a certain result. Based on that experience, the next few holes could be better planned. This step-by-step would increase cost of operations due to lengthening the time of the job. Some cost would be saved by lessening the need for conventional excavation to some extent.

8. Annex VI, of January 1960, dated 5 months before the June 1960 report of the Board of Consultant's report, might account for the mysterious language on page 3 of the Board's report." The ultimate solution to the basic problem is probably a sea level canal." This statement was the subject of an exchange of letters between us; yours dated June 24, and my reply dated July 4, 1963.

9. Tidal regulation, August 1963: "Ships can probably transit at speeds well in excess of current velocities and consequently under good control." I think analyses of tidal currents and small scale model tests to verify analyses should be made. Better not wait to see until a canal is completed for the loss of use of a canal can result while tidal controls are installed.

10. Pilots: "It is further assumed that pilots will not be required * * *." I believe it should be assumed that pilots would be required. Some vessels may require them while smaller and highly powered ones may not.

11. It was assumed that naval facilities, drydocks, shops, etc., would not be needed but that if needed those at present canal would be usable. Will we continue to occupy and operate two canal zones? If we do we are (will be) in a deep financial hole.

12. Tunnel: Probable cost of tunnel shown at \$25 million. It should be in the cost estimate; because, experience has shown that the native country will demand and receive a bridge or tunnel.

13. "Cost of administration, legal services, and right-of-way are not included." All are a part of the net cost of acquiring a new canal. The single item "right-of-way" appears to be buried with two smaller items. The smaller items might be lumped in at about 10 percent. The right-of-way might be around \$1 billion. It would include, in Panama, something like—

- Indemnity for leaving the present canal;
- Purchase price of real estate for location of new canal;
- Indemnities for claims as the result of nuclear damage;
- A large share of the gross tolls collected for transits;
- Numerous highly paid jobs for native administrators;
- Numerous jobs, at U.S. rates, or better, for ordinary employees;
- Possibly an attempt to limit the defense forces to little more than a police force; and

Some other costly items the native country might think up.

14. Should we move out of the present Canal Zone, and abandon our facilities there, there would be a need to gradually rebuild them. They include: harbors and docks, drydocks, shops, fueling facilities and oil storage, industrial plants, storehouses, towns with water, fuel, electric current, roads, parks, schools, police stations, courts, parks, dams, reservoirs, waterworks and distribution, electric powerplants, telephone system, sanitation and hospitals, etc. Not to mention defensive installations of great value and at each terminal of the present canal. These items are immovable. To replace the above civil installations might cost an additional \$500 million. (I am in no position to estimate costs of defensive works.)

15. If we cannot retain the canal we now own, we might be compelled to consider getting out of the canal business in Central America. But consider what we have to lose by abandoning our canal.

We now have a fine canal, we know it will work, we know how to work it.

We know how to enlarge it from time to time.

We have a workable treaty, although, at present, abrogated.

We have no other workable treaty (except in Nicaragua, and I have read of a move to consider abrogation of it).

We have experienced the abrogation of a treaty, in Panama.

We have defended our canal by use of force.

We would need to exercise the same force in any other nation.

We can, if desired, pay off the debt of the Panama Canal by an increase in tolls.

Besides the cost of the waterway of a new canal we might be forced to expend \$1.5 billion for right-of-way and installations abandoned at present Canal Zone. (Not including defensive items.)

Sincerely yours,

E. S. RANDOLPH.

U.S. NAVAL INSTITUTE PROCEEDINGS, JUNE 1964—COMMENT
AND DISCUSSION

“PROGNOSIS FOR THE PANAMA CANAL”

The Honorable Daniel J. Flood, Member of Congress: As a member of the subcommittee of the House Committee on Appropriations charged with the formulation of appropriation bills for the Armed Forces and as a student of Panama Canal history and interoceanic canal problems over many years, I have read with the greatest interest the article by Professor Miller. All thoughtful Members of the Congress that I know concur with his conclusion that—

Any real erosion of our position in the Canal Zone is bound to have widespread and adverse effects throughout the Caribbean, in Latin America generally, and on our global relationships.

This is a realistic appraisal of the situation now facing the United States with respect to the Panama Canal, which has long been the key target for the communistic revolutionary conquest of the Caribbean.

The sovereign status of the United States over the Canal Zone and Panama Canal is the direct result of a long-range commitment by our Government for the construction, and perpetual maintenance, operation, sanitation, and protection of an Isthmus Canal by whatever route that may be considered, pursuant to the 1901 Hay-Pauncefote Treaty with Great Britain and the 1902 Spooner Act authorizing the securing of perpetual control of the Canal Zone by treaty with the sovereign of the Isthmus of Panama.

As a result of the Panama revolution of November 3, 1903, and the diplomatic intervention of President Theodore Roosevelt, the necessary treaty was made with Panama, a successor state, rather than with Colombia, the sovereign of the isthmus prior to the 1903 revolt. This treaty, prepared under the close supervision of Secretary of State John M. Hay, granted sovereignty en bloc over the Canal Zone to the United States, “in perpetuity” and most significantly to the “entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority.” Moreover, the United States obtained ownership of all land and property in the Canal Zone by purchase from individual owners as well as sovereignty of the entire Canal Zone and its auxiliary areas by payment of \$10 million as an indemnity.

This control and ownership of the Canal Zone and Panama Canal was formally recognized by Colombia in the Thomson-Urrutia Treaty of April 6, 1914, proclaimed March 30, 1922. In return, Colombia received certain rights for transit of the Panama Canal and transport over the Panama Railroad comparable to those enjoyed by the Governments of the United States and Panama.

Thus the commitments of the United States, as regard the perpetual operation of the Panama Canal, are rooted not only in law but also in three important treaties. The width of the Canal Zone and the grant of sovereignty in perpetuity over it are not happenstances attributable to unauthorized clandestine maneuvering of foreign agents, as partisans have implied, but are due to the important studies made by the Isthmian Canal Commission (1899 to 1902) headed by Rear Adm.

John G. Walker, one of the most distinguished officers of the Navy. In his report on January 18, 1902, he emphasized that suitable treaty arrangements must be made "if an Isthmian Canal is to be constructed by our Government across the Isthmus of Panama," that "the grant must be not for a term of years, but in perpetuity, and a strip of territory from ocean to ocean of sufficient width must be placed under the control of the United States," and that "in this strip of the United States must have the right to enforce police regulations, preserve order, protect property rights, and exercise such other powers as are appropriate and necessary.

History has amply justified the vision of this distinguished naval officer in laying the basis for U.S. treaty granted exclusive sovereignty over the Canal Zone and Panama Canal in an area that has been the scene of endless bloody revolution and political instability. The isthmus is less stable today than it was in 1903, and the challenge of the 1903 treaty by Panama has not been met in a forthright manner by the United States. Experience has certainly shown that should the time ever come when any part of the Canal Zone or Panama Canal becomes a political pawn of Panamanian politicians, the days of U.S. control will be numbered. The inevitable result will be taken over by Communist revolutionary power.

Lest the current enthusiasm for a second Isthmian Canal serve to divert due consideration for fundamentals, attention is invited to the following facts:

1. The United States has a fine canal at Panama now, but it is rapidly approaching saturation.

2. Experience has shown that it will work, that our Government knows how to maintain and operate it, and how to provide for its major increase of capacity and operational efficiency without the requirement of a new treaty with Panama, all of which are paramount considerations transcending wishful thinking of promoters and idealists.

3. This modernization program, which was developed in the Panama Canal organization from meticulous studies of operations during World War II, provides for the adaptation of the existing canal to the principles of the Terminal Lake solution. This idea has been authoritatively recognized by maritime agencies of our Government and independent engineers, navigators, and lawyers as providing the best operational canal practicable of achievement, and at the least cost without involvement in treaty negotiations. The last, indeed, is a prime consideration.

4. The United States now has workable treaties for the Panama Canal granting the indispensables of undiluted sovereignty and ownership over the Canal Zone and Panama Canal and its auxiliary areas, and the protection of the summit level water supply of the Chagres River Valley.

5. The United States has suffered abrogation by ill-advised treaty amendments and nullification by executive actions of vital parts of the 1903 treaty through policies and practices in direct opposition to the 1923 position of Secretary of States Charles E. Hughes, who considered such reversals unthinkable.

6. The United States has had to defend its sovereignty over the Canal Zone by the use of force—an action absolutely necessary to pro-

tect the lives of our citizens and to save the canal itself from destruction by Red-directed mobs from Panama.

7. The United States has a treaty for a canal at Nicaragua, which would require a supplementary treaty with that country to supply necessary details as well as conventions with Costa Rica, Salvador, and, possibly, Honduras, but it has no treaties for a canal at any other site.

8. The United States would have to defend a new canal at any site of any type constructed in addition to the Panama Canal from lawlessness and disorder as was illustrated at Panama from January 9 to 11, 1964, and against aggressive warfare.

9. The use of nuclear explosions for excavation is limited by the nuclear test ban treaty and, in any case, is still in the conjectural stage, requiring from 7 to 10 years of experiment and the expenditure of some \$250 million to develop proper devices for such excavation by nuclear explosion.

10. The expenditure of vast sums on an extravagant so-called sea level project in the Canal Zone in the name of security and national defense will inevitably divert huge sums from other, more pressing programs for the defense of the United States and, on the whole, will involve much greater fixed costs than the present canal as improved by the economic means of additional locks. Moreover, dogmatic assertions that a canal at sea level would only require a small number of employees, perhaps 500, to operate and maintain it are perfectly absurd. A much larger number would be required because of the related conditions involved.

11. While it is true that a sea level project at Panama has the support of the National Rivers and Harbors Congress and industrial interests and professional engineers associated with it, there has been, and still is, sharp opposition to this project on the part of many independent nuclear warfare, engineering, maritime, and other ship-canal experts who cannot be dismissed as uniformed, incompetent, or inexperienced.

12. If the United States does not stand firm at Panama it cannot stand anywhere else, and weakness at Panama will cause other nations having possible canal sites to be more demanding in their consideration of treaties for new canal construction.

Certain writers, whose experience hardly entitles them to speak with authority, have urged that the United States surrender its sovereignty and jurisdiction over the Panama Canal to the United Nations or some other international body. They do not reveal that such transfer has been a prime objective of Soviet policy since 1917 and is directly related to Soviet aims to secure the control of the Dardanelles. Moreover, such a transfer would not solve problems but would be an abdication of responsibilities and would bring about the complete extinction of the Monroe Doctrine designed for the protection of the Western Hemisphere. In the light of what has happened in the Caribbean since 1959 when Castro took over in Cuba, any such proposal is, to say the least, naive and, in its effect, amounts to downright subversion.

The Isthmian Canal policy of the United States, as basically evolved, has had for its objective the best canal at the best site for the transit of vessels of commerce and war on terms of equality and at low cost of construction, maintenance, operation, sanitation, and protection in the interest of tolls which interoceanic commerce can bear.

The most comprehensive, scholarly, forthright, and objective yet brief and rigorous clarification of overall canal problems ever written is that by Capt. Miles P. DuVal.¹ This article has become a state paper of the first importance and is must reading for all who wish to know the truth about this very confusing subject.

In planning our future interoceanic canal policy, it is imperative to stick to fundamentals. And the first of these is retention of indispensable and undiluted sovereignty of the United States over the Canal Zone and the Panama Canal, for if any part of the zone or interest in the canal becomes a political pawn for Panamanian politicians, the days of efficient operations of the Panama Canal, indeed, will end. Moreover, no one has even been able to explain how the United States can adequately maintain, operate, and protect the canal with less authority than that accorded in the 1903 treaty.

AN ENGINEER'S EVALUATION OF ISTHMIAN CANAL POLICY

(By E. S. Randolph)

(NOTE.—A registered professional engineer in Baton Rouge, La., Mr. Randolph, was employed for some 35 years in the Canal Zone. He was in direct charge for the Government of the construction of Madden Dam and later headed the organization making the investigations for the third locks project.)

Within less than 50 years after completion of the Panama Canal, the United States is faced with the fact that as magnificent a construction job as it is, the canal cannot much longer fill the needs it was built for. It is being outdated both as regards the size and number of ships that need to transit. Recognition of this fact is evidenced not only in the constant study by congressional committees but in numerous articles appearing in magazines and newspapers.

The high level lake and lock canal with modifications as proposed by numerous authorities can be readily constructed by altering the present canal without interrupting traffic.¹ All needed improvements can be built into the structures and waterways as the work progresses. The plan is entirely practical as an engineering project and is the first comprehensive plan for the marine operational improvement of the shipway. It is a plan for which precedents exist concerning the engineering and construction, estimates of cost and of time required to build, and cost of maintenance and operation year after year.

The canal enterprise includes all services of management and government for the population as well as for transit and other accommodations for the vessels in passage. These administrative problems can be very engrossing, as can the problems of correlating the interests of the diplomatic service and Armed Forces with the canal interests. Engineering considerations of long-range planning are therefore likely to receive secondary priority.

¹ Miles P. DuVal, "Isthmian Canal Policy—An Evaluation," U.S. Naval Institute Proceedings, March 1955, pp. 263-275.

² See "Isthmian Canal Policy—An Evaluation," by Capt. Miles P. DuVal, U.S. Navy (retired), in the March 1955 proceedings.

The policy during the construction of the canal was to retain a chief engineer, a member of the Commission, for the duration of the project. After completion, the policy has been to replace the controlling engineer about each fourth year. For the control of landslides there was no substitute for the experience gained before and after admission of water to the cut. For the control of floods pouring into Gatun Lake there was long-range experience to be gained. Now, as the canal approaches the limits of its commercial capacity, there is a wealth of knowledge gained by long observation of the behavior of geologic formations and engineering materials, and the efficiency of different shapes and types of navigation structures, which knowledge is possessed by those who have devoted years of time to observation and study of the many special problems. Looking back, it would seem that the better policy would have been to establish a career position of chief engineer in the operating organization and to have filled it with a person having long and continuous responsible engineering experience in the canal service on the Isthmus of Panama and whose vision, projections, and accomplishments all stemmed from intimate knowledge of, and association with, the Panama Canal. As long as such a policy is not adopted, errors made in the past must inevitably be repeated.

This writer, after 35 years employment on engineering works on the canal, during and after its construction, and additional years in the United States, concludes that it is neither necessary nor desirable that the head of the civil government of the Panama Canal be a professional engineer, but it is necessary that he be a capable executive. The engineering considerations relating to the maintenance and improvement of the utility are so broad, numerous, and highly specialized that the responsible engineer can do them justice only if he functions expertly and freely in his assigned duties, unhampered by responsibility for administration of the canal and by detailed directions, however well intended.

It is apparent that unceasing consideration should be given to future programs for maintaining the canal in adequate condition. Major modifications should be planned years ahead of need, and plans should be periodically modified to meet changing conditions. The first consideration is: When will expanded facilities be required? Because this question cannot be exactly settled, it should be reviewed at yearly intervals. If not done, it is probable that the too late start made in 1940 will be repeated.

The start of the third locks project in 1940 followed an investigation made without adequate funds to perform the immense investigation essential before successfully undertaking such a construction program. After war threatened, there was insufficient time to complete the investigation.

The 1947 report of Isthmian Canal studies contains much valuable technical information, but the recommendations no longer meet the tremendous changes in the art of warfare, nor do they now present a true picture of present-day costs. There is no Government agency which can properly undertake a comprehensive plan of major action for the modernization of the ship canal across the American isthmus.

The high-level canal plan is characterized by its maximum utiliza-

tion of the present waterway, with retention of the best features proven by over 40 years of operation during both peace and war and with a correction of those features which have been found to be defective. The work of construction would involve problems that were solved during the construction and maintenance of the original canal.

The convenience and certainty of operation would be a foregone conclusion. The maintenance problems would be known with certainty. The most economical use of existing structures and waterways would be made. The present firmly consolidated earthen dams and dikes would be retained as they are or strengthened if found necessary. The Gatun Lake receives the waters from the tributary rivers and diverts them to useful purposes. This high-level canal can be planned with every assurance of success and can be constructed for less cost and in less time than can any other design so far considered. The simplicity and relatively moderate proportions involved in the high-level plan may render it less glamorous and so operate against its adoption. The judges of the merits of the "high-level" plan may find it has less popular support than its excellent and serviceable qualities warrant.

The sea-level plan contains engineering and constructional features which are grossly without precedent in the isthmiian area. There would be masses of excavation and embankment work involving a wide variety of soils and rocks, earthen structures of great size and weight, and deeper cuts than previously made. The oversize dredging equipment required for deepening the cut before lowering the later level would necessitate a program of development involving unforeseeable risks, delays, and costs. Without experience, there is no solid basis for the evaluation of the action of the materials under the new order of pressures which would be developed.

Because tidal currents would prevail if locks at the Pacific entrance of the sea-level canal were not used, the waterway would necessarily be deeper, wider, and straighter than required for the "high-level" waterway. Heavy maintenance problems (perhaps insuperable) would develop because of the higher banks through a longer distance. The bottom of the proposed new channel would be about 108 feet lower than the bottom of the present cut, at Contractor's Hill, thereby cutting into an heretofore undisturbed geologic formation known to be unstable.

The success or failure of such a waterway would be a matter for demonstration after completion rather than before it is commenced as in the case of high-level plan. The time and the cost to build the sea-level construction, not to mention the cost of maintenance after completion, are unknown quantities, but all would be vastly greater than required for the high-level plan.

The complexity of the sea-level plan and opportunities for experimentation are of a nature to intrigue members of the engineering profession. The massiveness of the physical work contemplated might well attract manufacturers and construction contractors to the project. The judges of the merits of this plan must ever be on guard against any enthusiasm which is not justified by its overall qualities inherent in the plan itself, or by any result to be attained therefrom.

Contrasting the high-level and sea-level plans, the former would not require any initial lowering of the undisturbed bottom of the 8-mile cut to obtain increased depth for navigation. The latter contemplates tremendous excavation of a new channel through the central mass that would be more than 100 feet deeper than the present cut and many miles longer. The problem of landslides would be greatly accentuated. The experience gained from maintaining the present slopes would probably not apply to the proposed new slopes at much greater depth because the qualities and arrangement of geological formations encountered would be different, as would be the internal stresses. The present cut is bordered by great valleys where once landslides were in motion.

Having walked in the bottom of the deep cut and having explored and studied the moving earth slides, this writer, who perhaps has a more respectful attitude toward them than have those who merely read of their histories, advises against stirring up numerous new and greater landslides unless justification is so overwhelming that the experience of the years can be deliberately rejected.

In the sea-level plan, the great diversion dams are proposed to be constructed by dumping excavated spoil from barges through the waters of Gatun Lake. Later the lake would be drained during an interval when it must be closed to traffic. There is no previous experience to guide the engineer to a safe conclusion of this work. The problems of subsidence, heaving, and lateral flow of the swamp muck under the lake will be present, but its action may be delayed until the lake water is lowered and the dikes become operative.

The builders of the Panama Railroad, about 100 years ago, projected a line and built a fill through the Chagres River Valley and upon the swamp muck. Any engineer who has to deal with that muck should make a thorough study of the difficulties encountered then, also again when the present railroad causeway was built on the drained swamp bottom to a height of 92 feet above sea level.

During the construction of a causeway the weight of the new fills caused, at places, a subsidence under the fill accompanied by an upheaval at the sides of the fill. This action was overcome by laying counterweight fills where heaving was observed or anticipated. The work was in plain sight above water, which would not be the case when depositing fill through water. Engineers who have encountered this swamp muck have invariably experienced difficulty.²

Having been employed by the Panama Railroad Company when the causeway carrying the relocated railroad line was being constructed, this writer doubts the advisability of carrying out the "sea level" diversion plans without much additional assurance of their reliability.

The optimum water level in Gatun Lake is that maximum desirable level for required increase in navigable depth through the 8-mile length of the central mass and for other purposes. Increase in depth can be better attained by raising the water level than by cutting below the undisturbed bottom, thereby causing additional stresses in the high banks of the cut and precipitating new slides. Associated is the appreciable increase in minimum depth which would result from the damping

² R. C. Sheldon, Transactions of the American Society of Civil Engineers, vol. 114, 1949, pp. 847-849.

of surge waves if the Pedro Miguel locks were removed. The optimum level can be determined only after a major engineering investigation. As long as such increase is possible, no new structures should be erected along the high-level waterfront without ample freeboard.

Widening and straightening of navigation channels could proceed before, during, and after the building of new high-level locks, by dredging at an economical rate, only when required for the accommodation of larger vessels, and by use of an augmented maintenance fleet of standard dredging equipment. The minimum dimensions, as determined by navigational considerations, need be anticipated only a few years in advance. Within the 8-mile length of deep cut, considerations of slide control dictate that proportions be determined by more rigorous analysis than in all other reaches.

It is doubtful if any security would be gained by rejecting a high-level lock canal in favor of a low-level lock canal. I submit that the insecurely poised banks of any economically feasible sea level cut through the Isthmus of Panama would be susceptible to atomic bombing so as to close the canal to traffic for an indefinite period, possibly years. There appears to be a relation between the depth of cut and security against refilling from the sliding of banks.

The interoceanic canal problem includes, besides engineering and geology, grave questions of diplomatic relationships, economics, and marine operations. However great may be the pride of authorship of any proposal, the issues must be decided on their merits at the highest plane of wise and experienced judgment and statesmanship. This I firmly believe can be best accomplished by an independent and broadly constituted Interoceanic Canals Commission as provided in the Martin-Thompson bills now pending.

[From the U.S. Naval Institute Proceedings, March 1955]

ISTHMIAN CANAL POLICY—AN EVALUATION

(By Capt. Miles P. DuVal, U.S. Navy (retired))

ISTHMIAN CANAL POLICY ROOTED IN HISTORY

The Panama Canal, opened to traffic on August 15, 1914, is an interoceanic public utility for the transit of vessels of commerce and war of all nations on terms of equality as provided by treaty. The history of this undertaking is epic.

The idea of its construction traces back more than four centuries. The development of it includes extensive explorations, grave crises, and weighty decisions. Out of these the Isthmian Canal policy of the United States gradually evolved. Yet, despite the vast literature on the canal question, nowhere are the principles of this policy comprehensively stated in one place, and they are not adequately understood. For these reasons a knowledge of key episodes of this important historical subject is essential.

The advantageous geographical position of the American Isthmus was recognized by the early Spanish who, within an incredibly short time after their arrival in 1502, explored its regions and reduced their

fields of investigation to four main areas: Tehuantepec, Nicaragua, Panama, and Darien-Atrato.

Because of the lower continental divides at Panama and Nicaragua and penetration of the jungles there by river valleys, these two avenues quickly became the great rivals for transisthmian commerce. They are still potential rivals.

At Panama, mountainous terrain and torrential rivers, notably the Chagres, at first represented insuperable barriers to the construction of a canal. At Nicaragua, the existence of a large lake, with the then navigable San Juan River flowing from it into the Atlantic, reduced the magnitude of that undertaking simply to cutting across the narrow strip separating the lake from the Pacific. These facts undoubtedly supply the basis for the initial predilection of the United States in the 19th century for a Nicaraguan canal.

Eventually, the control of the Nicaragua route became a focal point of international conflict, with Great Britain and the United States in a diplomatic deadlock. This difficulty was not removed until 1901, when the Hay-Pauncefote Treaty superseded the earlier Clayton-Bulwer Treaty of 1850, which had deprived the United States of exclusive control of any Isthmian Canal.

PATTERN OF ISTHMIAN CANAL ISSUES EVOLVES

Meanwhile, French interests under the dynamic leadership of Ferdinand de Lesseps had decided to construct a canal across the isthmus. An International Congress for Consideration of an Inter-oceanic Canal met in Paris in 1879. There, this Congress wrestled with the difficult questions of selecting the best site and deciding on the best type. De Lesseps, the hero of Suez (a simple sea level canal), lent the full force of his prestige and his genius toward securing approval for a "sea level" undertaking at Panama—a wholly different problem.

One engineer, the only one in that Congress who had adequately studied the geography of the isthmian regions and grasped their significance, when he saw the trend toward decision for the "sea level" type rose in strong protest.

He understood the topography at Nicaragua and how its elevated lake, 105.5 feet high, would contribute toward the construction and operation of a canal there. He knew the surface features at Panama—the continental divide about 10 miles from the Pacific, the torrential Rio Obispo-Chagres flowing into the Atlantic, and the smaller Rio Grande into the Pacific, both through contiguous valleys suitable for the formation of lakes. Interpreting these elements in the light of maritime as well as engineering needs, he recognized the lake idea as offering the solution of the canal problem.

Then, with the vision and simplicity of true genius he proposed a "practical" plan for the Panama Canal, here summarized: "Build a dam at Gatun and another at Miraflores, or as close to the seas as the configuration of the land permits. Let the waters rise to form two lakes about 80 feet high, join the lakes thus formed with a channel cut through the continental divide, and connect the lakes with the oceans by locks. This is not only the best plan for engineering but also best for navigation." Essentially, that was the plan for the Pan-

ama Canal eventually adopted in 1906. The man who conceived and presented the plan was Adolphe Godín de Lépinay.

The application of this plan—the only one which at that time could have had any chance for success—was not understood. De Lépinay's great idea was ignored. His conception of this plan, however, and its dramatic presentation before the Paris Congress of 1879 established him as an architectural and engineering genius—the originator of the plan from which the Panama Canal was eventually built.

The French, despite De Lépinay's timely warning, launched upon their ill-fated undertaking. Ten years later, in 1889, their effort collapsed and the isthmus returned to the jungle. Yet, before the failure, the French, to save time and money, were forced to change their plans from "sea level" to a modified high-level lake and lock type.

Thus, as the 19th century closed, the pattern of interoceanic canal's focal political and engineering issues had evolved first, a struggle among competing interests in the choice of route; and second, debate as to the type of canal, with final decision for the high-level lake and lock type at Panama.

PANAMA WINS THE BATTLE OF THE ROUTES

In 1899, after more than half a century of exploration, including a number of naval expeditions, the United States started serious investigations by means of an Isthmian Canal Commission for exploration, 1899–1902, of which Rear Adm. John G. Walker, a distinguished line officer of the U.S. Navy, was president.

After an extraordinary political struggle, known as the "battle of the routes," the Congress authorized the acquisition for the United States of a canal zone in what was then a part of the Republic of Colombia, the purchase of the French holdings, and construction of a canal at Panama, with provision for the Nicaragua canal as an alternate project, if suitable arrangements could not be made for one at Panama.

To this end, the *Chargé d'Affaires* of Colombia, Dr. Tomás Herrán, a graduate of Georgetown University and well acquainted with American governmental leaders, succeeded, after many months of arduous labor, in negotiating what was considered a most favorable canal treaty for his country—the Hay-Herrán Treaty of January 22, 1903, which was ratified by the U.S. Senate on March 17, 1903.

Unfortunately, this treaty became involved politically in Bogotá. The Colombian Senate, called into special session on June 20, 1903, for its ratification, rejected the treaty on August 12, 1903, against urgent pleadings of Dr. Herrán in Washington and U.S. Minister Arthur M. Beaupré in Bogotá.

Panamanian leaders, fearing that after all Panama still might lose the canal to Nicaragua, set out to prevent that possibility. Under the leadership of Dr. Manuel Amador, the state of Panama seceded from Colombia on November 3, 1903, and declared its independence. This was quickly recognized, first, by the United States, and appropriately, second, by France, the country that started the waterway. Then followed the Hay Bunau-Varilla Treaty of November 18, 1903, which was ratified first by Panama and then by the United States.

In this treaty the Republic of Panama granted to the United States "in perpetuity" the "use, occupation, and control of a zone of land and land under water for the construction, maintenance, operation, sanitation, and protection" of the Panama Canal—and as if the United States were the "sovereign" of that territory. The ratification of this treaty sealed the choice of the Panama route.

The technical justification for this fundamental action was supplied by the Isthmian Canal Commission, 1899–1902, which, under the direction of Rear Adm. John G. Walker, explored all canal routes. He also headed the first Isthmian Canal Commission for construction of the Panama Canal (1904–5) under which the Canal Zone was acquired, the Canal Zone Government organized, and preliminary work started. These achievements place him in history as a principal architect of Isthmian Canal policy.

BATTLE OF THE LEVELS AND THE GREAT DECISION

Work under the U.S. control started haltingly, with increasing uncertainty as to the type of canal that should be constructed—the high-level lake and lock type or a canal at sea level. Each proposal had strong advocates.

Fortunately, when the time for decision approached, President Theodore Roosevelt selected the great railroad builder, explorer, and business executive, the late John F. Stevens, as chief engineer of the Isthmian Canal Commission.

Mr. Stevens' qualifications were unique. He had read everything available on the proposed Panama Canal since the time of Philip II, built railroads in the Rocky Mountains, and supervised open mining operations in Minnesota. Thus, in his experience he had witnessed what occurs when the balances of nature are altered, and understood the hazards involved in excavating a navigation channel through mountains.

Arriving on the isthmus on July 25, 1905, at the height of a crisis, he had matters under control within 24 hours. Experienced as he was in large undertakings, he promptly provided housing for employees, organized commissaries, encouraged sanitation, ordered equipment, planned the transportation system, and formed the basic engineering organization for building the Panama Canal. Indeed, so rapid was his progress that he found himself hampered by having to wait for a decision as to the type of canal, then being considered by an international Board of Consulting Engineers.

In its report of January 10, 1906, this board split—eight members, including five Europeans, voting for "sea-level"; and the five remaining Americans voting for high-level lake and lock. The naval member on the Isthmian Canal Commission at that time was the Chief of the Bureau of Yards and Docks, who, in a minority report, favored the "sea-level" plan as "affording greater immunity from hostile injury."¹

Meanwhile at Panama, Stevens had walked through the entire length of the canal route and studied the topography. Interpreting it in the light of navigational requirements as well as construction, he

¹ Report of Board of Consulting Engineers for the Panama Canal (Washington, 1906). p. xix.

decided upon the high-level lake and lock plan, with the Atlantic terminal dam and locks at Gatun. For the Pacific end, he favored placing its locks in one group south of Miraflores at Aguadulce, just as he planned to do at Gatun.

Testifying in Washington before congressional committees in January 1906, with a conviction for the high-level plan that no one could shake, he voiced his determined opposition to the "sea-level" idea.

But one appearance was not enough. In June, he as again in Washington, still leading in this memorable struggle, later described by Col. George W. Goethals as the "battle of the levels." On this occasion Stevens even more forcefully and fearlessly urged the high-level-lake plan as the logical solution.

In the end, with the support of President Theodore Roosevelt, Secretary of War, William H. Taft, and the Isthmian Canal Commission, the recommendations of Chief Engineer Stevens prevailed. Congress, by the act approved June 29, 1906, adopted the high-level lake and lock plan as proposed by the minority of the international Board of Consulting Engineers. That was the great decision in building the Panama Canal, for the second time completing the pattern of inter-oceanic canal political and engineering debate.

Here it should be noted that when making his recommendation to the Congress for this action, President Roosevelt did so after evaluating all available evidence of relative vulnerability and operational effectiveness of the two types. Although he understood that the "sea-level" type would be "slightly less exposed to damage in event of war,"² he recommended the high-level plan because of its economic and operational superiority.

The transit from 1914 through August 31, 1954, in both peace and war, of more than 230,517 vessels of various types has completely established the wisdom of that decision. Moreover, it secured Chief Engineer Stevens, who was primarily responsible for bringing it about, his great fame as the basic architect of the Panama Canal.

CIVILIAN CONTROL REPLACED BY MILITARY

Though the high-level plan, as approved by the minority of the International Board of Consulting Engineers, provided for placing all Atlantic Locks at Gatun, it also specified separation of the Pacific Locks into two groups. Chief Engineer Stevens, who had had railroad operating experience, recognized the operational inconvenience of this arrangement and never favored dividing the Pacific Locks.

Eventually, on August 3, 1906, Stevens tentatively approved a plan developed by William Gerig. The proposal placed all Pacific Locks in three lifts south of Miraflores with the terminal dam and locks between two hills, Cerro Aguadulce on the west side of the sea-level section of the canal and Cerro de Puente on the east side—on a natural perimeter that would have supplied the same arrangement as at Gatun. This plan, had it been followed, would have enabled lake-level navigation from the Atlantic Locks to the Pacific, with a summit-level anchorage at the Pacific end of the canal to match that at the Atlantic end.

² *Ibid.*, p. iv.

Regrettably, Stevens was under great pressure to start construction. Advocates of the "sea-level" proposal, stung to the quick by their defeat in Congress, were poised ready to take advantage of a major change in the approved program as evidence of weakness in the high-level plan. Opponents of any canal at all were also seeking some means to delay the enterprise. These two forces together represented a political and economic strength that could not be disregarded.

Stevens' foundation explorations, necessarily made in great haste, proved unsatisfactory, and he did not dare to jeopardize the project by further delay. Twenty days later, on August 23, 1906, still confident that this important question would rise again, he voided his plan marking it, "not to be destroyed but kept in this office," and proceeded with the approved plan for separating the Pacific Locks.

In 1907, after having brought construction to a point where the success of the project was a certainty, Stevens resigned his positions as Chief Engineer and Chairman of the Isthmian Canal Commission, to which combined offices he had been appointed by President Roosevelt in recognition of his contributions. He was succeeded by Colonel George W. Goethals under whose able direction the work was carried forward.

PANAMA CANAL OPENED FOR TRAFFIC

Notwithstanding this shift in administrative control of the canal enterprise from civilian to military in 1907, the Stevens proposal to combine the Pacific Locks did not die. Col. William L. Sibert seriously studied it and, on January 31, 1908, formally submitted a definite plan that reflected his appreciation of marine needs as the basis for navigational planning.³ But, unfortunately, the Sibert proposal likewise was not approved for reasons then deemed adequate.

In this connection, it is pertinent to comment that after the resignation of Rear Admiral Walker in 1905, there was no experienced navigator on the Isthmian Canal Commission. Thus, one can only ponder what might have been the result had such a person been readily available for consultation with Stevens and Sibert on marine planning. In the light of later operational and engineering knowledge, developed in 1941-44, when there was such consultation between experienced engineers and marine operating officials, it is indeed regrettable that the Stevens-Sibert proposals were not adopted.

Colonel Goethals headed the project to the end, making a number of important but nonbasic changes, which included a widening of Culebra (Gaillard) Cut and the locks. He developed the first permanent operating organization under the Panama Canal Act of 1912 and, as the first Governor of the Panama Canal, opened the canal to traffic on August 15, 1914, and overcame the early slide crises. He and his associates won great fame as builders of the Panama Canal.

In this connection, it should be explained that the original concept of the functioning of the canal enterprise as a civil agency under the Panama Canal Act was dual: In peace, as an interoceanic public utility under a Governor; in war, under the supreme control of the Commanding General of U.S. Army on the Isthmus. In either status,

³ William L. Sibert and John F. Stevens, "The Construction of the Panama Canal" (New York: D. Appleton & Co., 1915), pp. 139-146 contains a summary of the Sibert proposal and its disposition.

the operational mission of the waterway remained as the transit of vessels under the obvious assumption that the Panama Canal, like other transportation facilities in the United States, would serve in war as well as in peace.

DEFENSE CONCEPTS BECOME ASCENDANT

After the opening of the canal to traffic, the great builders left the Isthmus; operation and maintenance became matters of routine, and the project was uncritically accepted. The rapid development of the airplane and other modern weapons following World War I, dramatized by periodic fleet exercises off Panama, made considerations of defense matters of increasing concern; those of marine operations became secondary.

In the excitement preceding World War II, the Congress authorized construction of a third set of larger locks, primarily as a defense measure,⁴ known as the Third Locks Project, at an authorized cost of \$277 million. The proposed layout placed a new set of larger locks (140 by 1,200 feet) near each of the existing locks but at some distance away to afford greater protection through dispersal and increased lock capacity for large naval vessels. The new locks were to be joined with the existing channels by means of bypass channels.⁵

Significantly, the plan included a number of construction features for future changing of the canal to "sea-level." Thus, discerning students recognized the Third Locks project as renewing the old "battle of the levels" in a new form—that of "conversion."

The Third Locks project layout at the Atlantic end of the canal, which duplicates an operationally sound arrangement at Gatun, is likewise sound. At the Pacific end, however, the proposed new channel layout contained three sharp bends—29°, 47°, and 37°—in succession from north to south. The latter, if it had been completed, would have created operational problems and navigational hazards of the gravest character.

Construction started in 1940 and was pushed vigorously until suspended in May 1942, because of shortage of ships and materials more urgently needed elsewhere for war purposes. No excavation was accomplished at Pedro Miguel; that at Gatun and Miraflores was substantially completed. Some \$75 million was expended.⁶

WAR EXPERIENCE INSPIRES PLAN FOR CANAL IMPROVEMENT

The suspension of the Third Locks projects, however, afforded an opportunity, while there was still time left to make such a study, for its reexamination in the light of operational needs demonstrated by marine experience. This was at a period when the Panama Canal was the scene of many military and naval expeditions on their way to and from combat zones in the Pacific. This, it should be also noted, was before the advent of the atomic bombs.

These studies conclusively established that the principal marine operational problems of the existing Panama Canal are:

⁴ Public Law 391, 76th Cong., approved Aug. 11, 1939 (535 Stat. 1409).

⁵ H. Doc. 210, 76th Cong., 1st sess. (1939).

⁶ House Committee on Merchant Marine and Fisheries, Executive Hearings on H.R. 4480, 79th Cong., 1st sess., Nov. 15, 1945, p. 4.

1. Dangerous traffic bottleneck at Pedro Miguel and a lack of a Pacific summit anchorage.
2. Double handling of vessels at separated Pacific Locks.
3. Effect of fog in Culebra (Gaillard) Cut on capacity and operations.
4. Lockage surges in cut caused by operating Pedro Miguel Locks (3-foot maximum amplitude).
5. Limited operating range of Gatun Lake water level (87 to 82 feet).
6. Navigational hazards in the restricted cut (300-foot minimum bottom width).
7. Inadequate dimensions of present locks for largest vessels (110 by 1,000 feet).⁷

From the nature of these inadequacies, it is obvious that locating the Pedro Miguel Locks at the south end of Culebra (Gaillard) Cut, where it created a traffic bottleneck and other problems, was the fundamental error in operational design of the Panama Canal.

Under the basic assumption that the prime function of the Panama Canal is the safe and convenient transport of vessels, it is self-evident that the wide channels of Gatun Lake afford safer and more convenient navigation than can any necessarily restricted channel at sea level. Moreover, the advantages of unrestricted lake navigation outweigh the minor hazards and time lost by passage through locks. Thus, the best operational solution is not provided by lowering the Gatun Lake water level to sea level, or to some intermediate level, but by raising it to its highest feasible elevation.

The obvious economic operational solution thus is a major improvement of the existing canal according to what is known as the Terminal Lake-Third Locks Plan, which includes the following program:

1. Removal of the bottleneck Pedro Miguel Locks.
2. Construction of all Pacific Locks in continuous steps near Miraflores.
3. and 4. Elevation of the intermediate Miraflores Lake water level (54 feet) to that of the Gatun Lake to serve as anchorage during fog periods and to dampen surges.
5. Raising the summit water level to its optimum height (approximately 92 feet).
6. Widening Culebra (Gaillard) Cut.
7. Construction of a set of larger locks.

These modifications will remove the traffic choke at Pedro Miguel, correct present operational dissymmetry and simplify canal control, increase channel depths, and improve navigation, mitigate the effect of fog, reduce marine accidents, decrease transit time slightly, conserve water, and increase capacity. Thus, the plan supplies the best operational canal practicable of economic achievement.

This plan was publicly revealed by its author on May 20, 1943, in an address before the Panama section of the American Society of Civil Engineers, under the title, "The Marine Operating Problems, Panama Canal, and the Solution."⁸ Attended by high Army, Navy, and Canal

⁷ Hon. Willis W. Bradley, "What of the Panama Canal?" Congressional Record, vol. 94, pt. 10 (Apr. 21, 1948), p. A2449 and "The Why of the Panama Canal," Congressional Record, vol. 95, pt. 12 (Mar. 4, 1949), p. A1303 contain extended discussions of marine problems.

⁸ ASCE Transactions, vol. 114 (1949), p. 588.

Zone officials, the presentation aroused the interest of the Commandant of the 15th Naval District, Rear Adm. C. E. Van Hook, who was present. He later submitted the plan to the Navy Department. On September 7, 1943, the Secretary of the Navy forwarded it to the President. Subsequently, this proposal was approved in principle by the Governor of the Panama Canal for the major modification of the existing canal. According to the report of a 1949 congressional investigation, it can be accomplished at "comparatively low cost."⁹ Moreover, no doubt exists as to its soundness because a similar arrangement at Gatun has been tested since 1914 and found eminently satisfactory.

ATOMIC BOMB RESSURRECTS SEA LEVEL PLAN

The spectacular advent of the atomic bomb in 1945 injected a new element into the canal picture. Under the force of its impact, canal officials sought authority to conduct an "overall review" of the entire interoceanic canals question in the light of the then newest developments in the "military and physical sciences."¹⁰ This was before the hydrogen bomb.

Accordingly, the Congress in 1945 enacted legislation¹¹ authorizing the Governor of the Panama Canal to make a comprehensive investigation of the means for increasing its capacity and security to meet the future needs of interoceanic commerce and national defense. The law also provided for a restudy of the third locks project, a study of canals at other locations, and for consideration of any new means for transporting ships across land. Thus was launched the second major canal crisis in the 20th century. It served to resurrect the corpses of the 1902 "battle of the routes" and the 1906 "battle of the levels" with a rehashing of all the main arguments of the earlier struggles on the basis of the newer term, "security," rather than the older one, "vulnerability."

Under a far more extreme interpretation of the security factor of the statute than was intended by the Congress that enacted it, the investigation was directed toward obtaining authorization for a sea level project at Panama, with the "security" and "national defense" factors as paramount, and money costs not a "governing consideration."¹² In line with the 1905-6 precedent, the naval representative on the Board of Consulting Engineers for the greater part of this engineering investigation was the Chief of the Bureau of Yards and Docks.

In the ensuing public hysteria centered on the dangers of the atomic bomb and other modern weapons, the long-range and fundamental mission of the Panama Canal to provide efficient and economic transit of vessels was generally overlooked.

The report of the 1946-47 Isthmian Canal studies¹³ recommended only the sea-level project for major canal construction at Panama, initially estimated to cost \$2,483 million. With the exception of the two terminals, this project provides for constructing a virtually new Panama Canal of 60 feet minimum depth in navigation lanes and of 600

⁹ H. Rept. 1304, 81st Cong., 1st sess. (1949), p. 2.

¹⁰ Committee on Merchant Marine and Fisheries, op. cit., p. 5.

¹¹ Public Law 280, 79th Cong., approved Dec. 28, 1945 (59 Stat. 663).

¹² See statement of Board of Consulting Engineers, quoted in *Panama American*, Aug. 5, 1946, p. 3, cols. 4-6.

¹³ Summarized with discussions in *ASCE Transactions*, vol. 114 (1949), pp. 607-906.

feet width between sloping sides at a depth of 40 feet on a new alignment somewhat removed from the present channel, which it crosses several times. The project includes a tidal lock (200 by 15,000 feet) and a navigable pass at the Pacific end, many miles of dams for flood control reservoirs on both sides of the projected canal, diversion channels and other structural features. This program would result in abandonment of the greater part of the existing waterway and the investment that it represents.

Although the 1947 report contained studies of plans for a Terminal Lake-third lock project, which it did not recommend, it offered a relatively minor program for improvement of the present canal installations "to meet the needs of commerce" as a preferred alternative to the major improvement of the existing waterway as recommended to the President in 1943 by the Secretary of the Navy.

Transmitted by the President to the Congress on December 1, 1947, and, without Presidential approval, comment or recommendation, the report promptly encountered sharp opposition. The Congress took no action on this report. Instead, in 1949, it authorized an investigation of the organizational and financial aspects of the canal enterprise,¹⁴ for which study Representative Clark W. Thompson, of Texas, a retired Marine Corps Reserve officer, served as chairman. This investigation resulted in the first basic change¹⁵ in the permanent canal operating organization that was established in 1914.

The new act requires that transit tolls be established at rates that will place the operation of the canal enterprise on a self-sustaining basis—a new principle of Isthmian Canal policy with far-reaching implications affecting the future economic management of the Panama Canal and interoceanic commerce. This subject is now under further congressional study.¹⁶

CLARIFICATIONS RESTORE OPERATIONS AS BASIS FOR PLANNING

Meanwhile, in the Congress, the security and national defense premises, on which the recommendation for the sea-level project was primarily based, were vigorously challenged.

As to the atomic bomb, Representative Willis W. Bradley, a retired naval officer, summarized his views: "As far as I can ascertain, the greatest authorities on modern weapons of war who have given this subject serious attention hold uniformity that any canal would be critically vulnerable to the atomic bomb, regardless of type: that a sea-level canal would be in the same security class as a like canal; that a sea-level canal could be closed for prolonged periods of time beyond any hope of speedy restoration; and that a sea-level canal cannot be considered secure in an atomic war. These same authorities also agree that the atomic bomb is irrelevant as a controlling factor in the planning of operational improvements for the Panama Canal."¹⁷

Representative, now Senator, Thomas E. Martin, of Iowa, a retired Army officer, developed the national defense clarification, repeatedly

¹⁴ H. Res. 44, 81st Con. quoted in Congressional Record, vol. 95, pt. 2 (Feb. 28, 1949), p. 1617.

¹⁵ H. Doc. 460, 81st Cong., 2d sess. (7950) and Public Law 841, 81st Cong., approved Sept. 26, 1950 (64 Stat. 1038).

¹⁶ Hon. John J. Allen, "Panama Canal—Interim Report," Congressional Record, vol. 100, No. 149 (Aug. 4, 1954), p. A5766.

¹⁷ Bradley, "What of the Panama Canal?," op. cit., p. A2451.

stressing that protection of any type of canal, wherever located, is "an overall governmental responsibility, and that its defense, like that of the seaports, airports, railroads, highways, and productive centers of the United States depends upon the combined industrial, military, naval, and air power of this Nation as obtained in both world wars, and not upon passive defense measures, such as may be embodied in inherent characteristics of canal design."¹⁸

Here it should be stated that leading atomic warfare authorities, who studied the problem of Canal Zone defense in 1947, considered that arguments as to relative vulnerability of types of construction are entirely without point and that the sea level project would, in effect, constitute a Maginot line. This view has been greatly strengthened by the later development of the hydrogen bomb, which is measured in megatons of TNT equivalent as compared to kilotons for the atomic bomb.

In the course of extensive discussions of the sea-level project recommendation,¹⁹ congressional and administrative leaders often stressed the point that this project, if justified primarily for national defense, would divert both funds and resources from projects and programs in the United States that are far more essential to national security. The combined effects of the defense clarifications have been toward eliminating the concept of inherent resistance to attack as the governing consideration in planning at Panama. Thus, it appears that the only justifiable security design feature is adequate protection against sabotage, which is chiefly an administrative function.

Eventually, a group of engineers and others associated in building the Panama Canal submitted their views in a memorandum to the Congress. This memorial challenged the official cost estimates in the 1947 report, charging that the sea-level project would cost several times its initial estimate—\$2,483 million—and that the third locks project adapted to the principles of the terminal lake proposal (widening Culebra Cut excepted) can be accomplished at relatively low cost as compared to that of the sea-level project—estimated as under \$600 million.

The statement also criticized the 1953 program for repair and alteration of present lock structures as makeshift in character and without sufficient merit, pointing out that it will delay the fundamental and long-over-due solution of the problems involved. It stated that the Governor's recommendation of none but the sea-level project for major increase of canal facilities served to exclude what may be the best solution when evaluated from all angles.

Included in an address to the House by Representative Eugene J. Keogh of New York²⁰ this memorandum was promptly recognized by the engineering profession.²¹

Strong appeals for the creation of a wholly American, independent, broadly based, predominantly civilian, strictly nonpartisan and objective Interoceanic Canals Commission, composed of able men who may not be dominated or unduly influenced by Federal executive agencies,

¹⁸ Hon. Thomas E. Martin, "An Interoceanic Canals Commission, the Best Solution of Panama Canal Problem," Congressional Record, vol. 97, pt. 14 (July 18, 1951), p. A4481.

¹⁹ Hon. Clark W. Thompson, "Isthmian Canal Policy of the United States—Bibliographical List," Congressional Record, vol. 95, pt. 16 (Aug. 25, 1949), p. A5580 and subsequent statements of distinguished Member of Congress.

²⁰ "Panama Canal Construction Engineers Favor Interoceanic Canals Commission," Congressional Record, vol. 100, No. 79 (Apr. 29, 1954), p. 5491.

²¹ "Panama Canal Problem," Civil Engineering, vol. 24 (July 1954), p. 460.

have been made by responsible congressional leaders as the best means for developing a wisely-reasoned Isthmian Canal policy.²²

The consequences of prolonged arguments, in and out of the Congress, have been toward restoration of economic thinking and an increased appreciation of fundamental planning concepts so well expressed during the 1905-06 "battle of the levels" by General Henry L. Abbot, the great student of the Charges, members of the Comité Technique of the French Panama Canal Company and the international Board of Consulting Engineers, and an advocate of the high-level type. His words were: "The true criterion is ease and safety of transit, and * * * this test leaves no doubt as to which type of canal should be preferred at Panama."²³ This standard, both obvious and simple, is as true today as it was when written in 1905. Moreover, it is applicable in evaluating not only canal proposals at Panama but also those at other locations.

DIPLOMATIC IMPLICATIONS

The juridical basis for the Canal Zone rests with the Hay-Bunau-Varilla Treaty, which authorized a zone 10 miles wide extending 5 miles on each side of the center line of the canal. After extended diplomatic discussions, the boundaries of the Canal Zone were later fixed in the Price-Lefevre Boundary Convention of September 2, 1914.

An examination of the general plan of the proposed sea-level project discloses a number of features not covered by current international agreements. Among these are: a new main channel alinement substantially removed from the existing channel from which Canal Zone boundaries are measured; flooding of additional territory in the Republic of Panama in the Chagres River Valley downstream from Madden Dam (Alhajuela); diverting the Chagres River from its present path west of Limon Bay to a new path east of the bay that crosses a Panamanian highway; and draining the central portion of Gatun Lake. The last feature would disrupt present navigation channels to Panamanian settlements on the lake and uncover large and forbidding swamp areas with resulting health and sanitation consequences.

These aspects of the sea level undertaking would undoubtedly bring a demand from the Republic of Panama for a new treaty covering the specific conditions for its construction. What concessions such a treaty would cost cannot be predicted. But, based upon previous experience in such diplomatic negotiations, these costs would be far greater than earlier ones, inevitably adding to the total estimate and increasing tolls.

Furthermore, such negotiations would be fraught with considerable uncertainty in the relations of the United States with Panama and other nations of Latin America, not to mention threats to the security of the enterprise through the process of its internationalization, for which there have been persistent demands.

In contrast, the Terminal Lake-Third Locks Plan, being merely an "enlargement of the existing facilities"²⁴ that does not call for addi-

²² H.R. 8457 and H.R. 8458, 82d Cong., H.R. 1048, 83d Cong., and S. 766 and H.R. 3335, 84th Cong.

²³ Henry L. Abbot, "Problems of the Panama Canal." (New York: Macmillan Co., 1905), p. 224.

²⁴ Hull-Alfaro Treaty of Mar. 2, 1936, art. II.

tional "land or waters" or authority, will not require a new canal treaty. This, it must be obvious, is a truly paramount consideration.

The construction of a canal at another location would introduce an entirely new diplomatic situation, which would be just as complicated as that at Panama.

The salient elements of this situation, however, are: that the 1947 report does not present these significant diplomatic involvements; that the need for negotiating a new treaty with Panama to cover the sea level project was not submitted to the Congress; and that the Congress has not authorized such negotiation as was done in the Spooner Act of 1902 for the original construction of the Panama Canal.

ISTHMIAN CANAL POLICY MUST BE REDETERMINED

The evolution of Isthmian Canal policy has been slow. Its principal objectives have long been the best type of canal at the best site for the transit of vessels of commerce and war on all nations on terms of equality as provided by treaty—and at low cost of construction, maintenance, operation, sanitation, and protection.

Often beset by bewildering confusions of ideas, the progress of fundamental concepts has, at times, deviated from their logical courses. Yet events have thus far conspired to avert irretrievable error. Now, with the main arguments clarified, the interoceanic canal problem in its national relationships is coming to be better understood and attention is focusing on the true objectives of securing requisite capacity and operational efficiency. Nevertheless, the evolving situation is of such grave concern that it must be protected by ceaseless vigilance and fully matured objective judgment.

The Panama Canal is now entering its fifth decade of operations. Its navigational inadequacies have been established. The canal as completed contains fundamental errors in operational design centered on the location of the Pedro Miguel Locks. These can be corrected only by the major reconstruction of the Pacific end of the canal as contemplated in the Terminal Lake-Third Locks proposal.

Commercial traffic through the canal has reached the highest volume in history. The Navy has vessels that cannot transit. Issues raised by questions of "security" and "national defense" have been formally submitted but never accepted. The principle of economic operation of the canal has been embodied in law.²⁵ Yet, in a physical sense, the shipway is still essentially what it was in 1914. Thus, the time has come to provide, without further delay, the additional interoceanic transit capacity and operational improvements to meet present and future needs.

The solution of this problem is not the simple proposition that it may appear. Instead, it is a highly complicated one of the greatest national importance, rising above purely personal and group considerations. It involves questions of fundamental operational and engineering planning, the decisions on which will affect the welfare of the United States and other maritime nations through the indefinite future.

These facts call for a further reassessment of the entire interoceanic canals problem²⁶ based on realities, with a comprehensive restatement

²⁵ Public Law 841, 81st Cong., approved Sept. 26, 1950 (64 Stat. 1038).

²⁶ Thompson, "Interoceanic Canals Problem," Congressional Record, vol. 98, p. 8 (Jan. 15, 1952), p. A163.

of Isthmian Canal policy as derived from a reasoned line of action. This is the task that sooner or later the Congress and the Nation must meet.

[From the Panama (R.P.) Star & Herald, Dec. 30, 1964]

CAREFUL STAFF WORK LED TO PC ANNOUNCEMENT

WASHINGTON, December 29.—The surprise announcement by President Lyndon B. Johnson on December 18 that he had decided the United States should press forward on plans for a sea level canal in Central America and should propose to the government of Panama the negotiation of an entirely new treaty on the existing Panama Canal was the result of careful work by the U.S. national security staff.

In a White House office, a small staff of experts whose names are virtually unknown to the public is at work daily to help President Johnson plan and coordinate national security affairs.

Their parent organization, the National Security Council (NSC), comprised of the President's chief advisers on both national and international aspects of defense and security, is called into full session by the President ordinarily only in the most urgent situations. But the White House National Security Affairs advisers assist in day-to-day organization of basic recommendations and in the followthrough on the execution of the President's decisions.

The National Security Council's professional staff, headed by McGeorge Bundy—who also doubles as special assistant to the President for national security affairs—is not a separate organization in between the President and the Secretary of State.

Bundy explains: "The principal responsibility for advising the President and for acting as his executive agent in the great matters of national security falls to the men who are in charge of the major operating departments—the Secretary of State, the Secretary of Defense, the Director of the Central Intelligence Agency, and others with similar operating responsibilities."

What Bundy and his staff perform is the coordination of the many arms of Government involved in national security—State, Defense, and Treasury Departments, the Atomic Energy Commission, the Arms Control and Disarmament Agency, the Central Intelligence Agency, Bureau of the Budget, Agency for International Development, and the U.S. Information Agency.

One way the national security staff works can be seen in the activities prior to the President's announcement in the Panama Canal issues.

The preliminary planning for the decisions has been carried out under the leadership of Assistant Secretary of State for Inter-American Affairs Thomas C. Mann, and Secretary of the Army Stephen Ailes. (The U.S. Army supervises administration of the Canal Zone.) When this planning was completed, Bundy set up a meeting, not of the full National Security Council, but of the President with those Cabinet-level officers directly concerned—Secretary of State Rusk, Secretary of Defense Robert McNamara, Undersecretary of Defense Cyrus Vance, and the Joint Chiefs of Staff. At this meeting the President listened to the arguments pro and con. No votes were taken, however.

A week after this meeting, the President informed Bundy that he had made up his mind to go ahead on the sea level canal and the treaty.

The announcement was prepared under the direction of the National Security Council staff. Immediately after the President made the announcement, Bundy's staff was at work coordinating the follow through for the President.

The actual carrying out of the President's instructions in day-to-day work evolves in an operating branch—in this case Mann and the State Department.

At the other end of the scale are the meetings of the entire National Security Council. On October 17, for instance, the day after the detonation of the Communist Chinese nuclear device and the change in government in the Soviet Union, the National Security Council met with President Johnson in the Cabinet Room. In addition to the NSC members designated by law—the President, Vice President, Secretaries of State and of Defense, and the Director of the Office of Emergency Planning—the President invited the chiefs of the Central Intelligence Agency, the U.S. Information Agency, and the Atomic Energy Commission, as well as the Director of the Budget, the Chairman of the Joint Chiefs of Staff, several other Cabinet members, Bundy, and presidential staff advisers.

For an hour the President and the Council listened to a presentation of the available information and discussed the international situation. The Council expressed the view that there was no present cause for national alarm and no immediate emergency. And it recommended that the President himself give to the American people an assessment of the international situation. Johnson did so the following evening on nationwide television.

During the 1962 crisis when the Soviet Union set up offensive missile sites in Cuba, a small executive committee of the National Security Council held 38 meetings to discuss possible courses of action and to advise the then President Kennedy.

The decisionmaking power in all cases remains with the President alone.

As now constituted under McGeorge Bundy, the few national security assistants have definite responsibilities for geographic areas and to maintain liaison with certain Government agencies. Bundy maintains personal liaison with the Secretaries of State and Defense and the Director of the Central Intelligence Agency.

This man who coordinates national security affairs for the President is generally recognized as one of the most brilliant and capable young men in the Nation. At the age of 45, he has behind him such activities as collaborating with and editing papers for Henry Stimson (Secretary of War under Franklin D. Roosevelt) and for Dean Acheson (Secretary of State under Harry S. Truman); serving as a consultant on the Marshall plan; and participating as an Army intelligence officer in the planning of the invasion of Normandy during World War II. From 1953 until early 1961 he was dean of the faculty of arts and sciences, the No. 2 job at Harvard University, holding a staff of more than 1,000. He was selected personally by President Kennedy as special assistant to the President for national security affairs, and has held the position since the beginning of the Kennedy administration.

His relationship with President Johnson, as it was with the late President Kennedy, has been extremely close.

[From the Congressional Record, Wednesday, Sept. 7, 1966]

PANAMA CANAL PROBLEMS: AMERICAN LEGION ADOPTS NOTABLE RESOLUTION

Mr. FLOOD. Mr. Speaker, it is a matter of gratification to citizens of the United States who are well informed with regard to the value of the Canal Zone and Panama Canal as bastions of freedom to learn of the unanimous action of the 48th Annual Convention of the American Legion in adopting a wise and patriotic resolution on the subject of interoceanic canal problems.

It seems that this resolution had its genesis in the Canal Zone where many Legionnaires are employed with the Panama Canal enterprise and other U.S. agencies on the isthmus. The Department of the Panama Canal of the Legion recently adopted a resolution on the subject and presented it to the national organization for consideration.

The result was that the national organization, in convention on September 1, 1966, in the Nation's Capital, adopted as its own the resolution based on that of the Panama Canal Department of the Legion.

Both the local and national organizations are to be congratulated on their fine work in bringing the gravely important canal issue into focus. The Legionnaires in our various wars have come to appreciate in the fullest possible manner the value of military strategy in the maintenance of key positions to serve the cause of freedom. They have come to know the vital significance of the continuance of undiluted U.S. authority with respect to the Panama Canal and thus join in the effort that is rapidly growing in our Nation to save the canal and prevent its takeover by communistic revolutionary power. These Legionnaires are, indeed, warders in the towers of liberty.

The indicated resolution follows:

RESOLUTION NO. 547—48TH ANNUAL NATIONAL CONVENTION OF THE AMERICAN LEGION, WASHINGTON, D.C.; AUGUST 30, 31—SEPTEMBER 1, 1966

Committee: Foreign Relations.

Subject: Panama Canal and Sea-Level Canal.

Whereas, in a joint statement on September 24, 1965, Presidents Johnson of the United States and Robles of Panama announced that the two countries were negotiating new treaties with respect to the existing Panama Canal and a new "sea-level" canal which might be constructed across Panama; and

Whereas, that statement made clear that the 1903 treaty "will be abrogated" and that its replacement "will terminate after a specified number of years or on the date of the opening of the sea-level canal whichever occurs first;" and

Whereas, there is no assurance at this time that the construction of a sea-level canal will be determined to be feasible, either in Panama or elsewhere in the area, or that a satisfactory treaty respecting such new canal can be secured so as to provide the United States with the necessary rights for its effective operation and protection; and

Whereas, in the interim, this situation places in serious jeopardy the rights of the United States respecting the existing canal; and

Whereas, the Congressionally authorized Commission currently studying the feasibility of constructing a new interoceanic canal is restricted to studies relative to a "sea-level" canal; and

Whereas, various proposals, such as one known as the "Terminal Lakes Plan," have been advanced for the modernization of the existing Panama Canal, based upon study by competent students of many years experience in maintaining and operating the Canal; and

Whereas, such proposals would not require a new treaty with the Republic of Panama and would not jeopardize the U.S. rights in the Canal Zone; now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Washington, D.C., August 30, 31-September 1, 1966, That The American Legion (1) reaffirms its support of the basic and still existing provisions of the 1903 treaty, and the continued, indispensable sovereign control by the United States over the Canal Zone; (2) urges the enactment of legislation (similar to the Anderson-Flood-Bow bills of the 89th Congress) to establish an independent, broadly based "Interoceanic Canals Commission," having as its mandate the examination of *all* tangible possibilities for improving and increasing trans-Isthmian transit capacity, followed by appropriate recommendations, and (3) urges that, until such a commission is duly created and makes its report, all further negotiations with the Republic of Panama be deferred.

[From the Congressional Record, 89th Cong., 2d sess., Sept. 29, 1966]

PANAMA CANAL: U.S. SOVEREIGNTY OR COMMUNIST CONTROL?

Mr. FLOOD. Mr. Speaker, over the last decade, I have made many addresses before this body on various aspects of interoceanic canal problems, which have been published as House Document No. 474, 89th Congress. In the course of the study required for their preparation, I have noted the evolution since 1872 of our country's Isthmian policy as regards the ownership and control over an interoceanic canal.

As initially stated by Presidents Grant and Hayes, respectively, and eventually determined, our policy called for an "American canal, on American soil," virtually constituting a "part of the coastline of the United States." These were the principal desiderata that guided our statesmen who brought these policies to fulfillment: Presidents McKinley, Theodore Roosevelt, Secretaries Hay, Taft, Root, and Hughes, and Presidents Taft and Wilson.

As all who have followed recent canal policy discussions in the Congress should know, since 1936, there has been a progressive weakening of our rights, power, and authority over the Panama Canal enterprise, accompanied by a withdrawal by the United States to the boundaries of the Canal Zone but without changing our basic powers in the zone itself.

Now our country faces a new situation. In this, there is a fixed and relentless drive to give sovereignty over the Canal Zone to Panama—a movement that can be traced back to the Bolshevik Revolution of 1917 and that has been steadily fostered for many years by the international Communist conspiracy.

Despite extensive documentation of this erosive development, some of the highest officials of our Government have supported, and are yet supporting, the cession to Panama of the U.S. territorial possession officially designated as the Canal Zone. This they do in complete disregard of the facts that the world is on fire, that we are at war with international communism in southeast Asia, that Cuba is under communistic control, and that guerrilla warfare, terror, and revolutionary communism are planned for every Latin American country and the United States.

In view of all the foregoing, I would say, Mr. Speaker, that the President has had, to say the least, some very poor and dangerous counsel, and that it is the duty of the Congress to rescue him, our Nation, and the Western Hemisphere from an extremely perilous situation. Under existing circumstances the United States needs greater rather than less authority on the Isthmus.

In this connection, let me repeat what I have so often said before: so long as we continue to exercise our indispensable authority over the canal and Canal Zone the freedom of Panama is thereby assured; and whenever we abandon that authority Panama will cease to be a

free and independent country and will go down the Communist drain. Are there not in all of Panama any public leaders who have the vision to see and the courage to proclaim the truth of what I have stated?

Fortunately for both the United States and Panama, the Canal Zone sovereignty issue has recently been brought into sharp focus. The American Legion, in a notable resolution, unanimously adopted on September 1, 1966, by its national convention in Washington after mature consideration, reaffirmed its support for the basic and still existing provisions of the 1903 Canal Treaty, and for the continued indispensable sovereign control by the United States over the Canal Zone.

About the same time, the Subcommittee on Internal Security of the U.S. Senate distributed a staff study on the Tricontinental Conference of African, Asian, and Latin American Peoples held at Havana, Cuba, in January 1966. This study summarizes the resolutions adopted at the Havana Conference and describes that meeting as the most powerful gathering of pro-Communist, anti-American forces in the history of the Western Hemisphere. Moreover, this conference, in its resolutions, emphasized that the struggle is to the death and would be conducted with revolutionary violence.

Thus Mr. Speaker, the Panama Canal has become a subject of violent contention between powerful political forces: the American Legion and other smaller groups, representing a growing popular movement in the United States that has followed the best informed leadership in the Congress, and the Tricontinental Conference representing the power of international communism. Elements in the Department of State, with fatuous and fatal design, have long been supporting, and yet support, the Communist aim of wresting control of the Canal Zone from the United States and giving it to Panama.

Moreover, our chief negotiator in the current treaty negotiations with Panama, who holds the rank of Ambassador, is also Chairman of the present so-called Atlantic-Pacific Interoceanic Canal Study Commission under Public Law 88-609, which body is playing along with Department of State policy. Hence, the State Department and not the Army is responsible for the deplorable situation which now faces us at Panama.

Furthermore, I know of no informed professional officers of the Armed Forces of independent character who favor the abandonment of our sovereignty over the Canal Zone and canal, or who believe that our Government should have responsibility without authority with respect to the canal enterprise. I know many who oppose such surrender.

In event Canal Zone sovereignty should be transferred to Panama, as is now being advocated, that would be tantamount to giving it to Red power. In this connection, it should be noted that a large number of Panamanian revolutionaries trained in Castro's Cuba are in Panama ready to lead in overthrowing by violence the Government of that country the day after the United States relinquishes its sovereignty over the Canal Zone; and with such relinquishment there will be nothing to prevent a Communist takeover. Witness Cuba.

Our policies of weakness as regards the Panama Canal and Cuba are inviting the conditions that exist in Korea and Vietnam; and the

proclaimed objective of world revolutionary communism is to light Red torches in Latin America, thus relieving U.S. pressure in south-east Asia.

Mr. Speaker, the real issue at Panama is not academic or hypothetical, it is not U.S. control over the Canal Zone versus Panamanian but U.S. sovereignty over the zone versus Communist control. This is the truth, the whole truth, and nothing but the truth.

In order that the Congress and the Nation may have the full texts of the resolutions previously mentioned convenient for study and comparison, I quote their full texts as parts of my remarks:

RESOLUTION NO. 547 OF THE 48TH ANNUAL NATIONAL CONVENTION OF THE
AMERICAN LEGION, WASHINGTON, D.C.

Whereas, in a joint statement on September 25, 1965, Presidents Johnson of the United States and Robles of Panama announced that the two countries were negotiating new treaties with respect to the existing Panama Canal and a new "sea-level" canal which might be constructed across Panama; and

Whereas, that statement made clear that the 1903 treaty "will be abrogated" and that its replacement "will terminate after a specified number of years or on the date of the opening of the sea-level canal whichever occurs first;" and

Whereas, there is no assurance at this time that the construction of a sea-level canal will be determined to be feasible, either in Panama or elsewhere in the area, or that a satisfactory treaty respecting such new canal can be secured so as to provide the United States with the necessary rights for its effective operation and protection; and

Whereas, in the interim, this situation places in serious jeopardy the rights of the United States respecting the existing canal; and

Whereas, the Congressionally authorized Commission currently studying the feasibility of constructing a new interoceanic canal is restricted to studies relative to a "sea-level" canal; and

Whereas, various proposals, such as one known as the "Terminal Lakes Plan," have been advanced for the modernization of the existing Panama Canal, based upon study by competent students of many years experience in maintaining and operating the Canal; and

Whereas, such proposals would not require a new treaty with the Republic of Panama and would not jeopardize the U.S. rights in the Canal Zone; now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Washington, D.C., August 30, 31—September 1, 1966, That The American Legion (1) reaffirms its support of the basic and still existing provisions of the 1903 treaty, and the continued, indispensable sovereign control by the United States over the Canal Zone; (2) urges the enactment of legislation (similar to the Anderson-Flood-Bow bills of the 89th Congress) to establish an independent, broadly-based "Interoceanic Canals Commission," having as its mandate the examination of *all* tangible possibilities for improving and increasing trans-Isthmian transit capacity, followed by appropriate recommendation, and (3) urges that, until such a commission is duly created and makes its report, all further negotiations with the Republic of Panama be deferred.

THE TRICONTINENTAL CONFERENCE OF AFRICAN, ASIAN, AND LATIN AMERICAN
PEOPLES

(A staff study prepared for the Subcommittee to Investigate the Administration of the Internal Security Act and Other Internal Security Laws of the Committee on the Judiciary, U.S. Senate, 1966)

5. RESOLUTIONS ADOPTED BY CONFERENCE

The general resolution adopted by the Tricontinental Conference represented a major victory for the philosophy of Maoism, in the sense that it rejected all possibility of peaceful reform and declared revolutionary violence to be the only road to the future. These were the words of the resolution:

"One cannot accept the first small step as an alternative to those that follow. * * * We cannot permit ourselves to be deceived or frightened. * * * *The struggle is to the death.* * * * The people of the three continents must reply to imperialist violence with revolutionary violence to safeguard hard-won national independence, as well as to achieve the liberation of the peoples who are fighting to shake off the colonialist noose."

The general declaration of the Tricontinental Conference covered the following significant points:

1. Condemned Yankee imperialism for allegedly "carrying out a policy of systematic intervention and military aggression against the nations of the three continents."

2. Referred to Yankee imperialism as the "implacable enemy of all peoples of the world."

3. Referred again to Yankee imperialism as constituting "the basis for oppression; it directs, provides, and upholds the worldwide system of exploitation."

4. Proclaimed "the right of the peoples to meet imperialist violence and revolutionary violence."

5. Vigorously condemned "the Yankee imperialists' aggressive war in South Vietnam."

6. Proclaimed "its solidarity with the armed struggle of the peoples of Venezuela, Guatemala, Peru, Colombia."

7. Condemned "the aggressive policy of the U.S. Government and its Asian agents against peaceful and neutral Cambodia and calls for the rejection of all political, economic, diplomatic, and cooperation with the Yankee imperialists and with all puppet governments which help the U.S. Government in their aggressive policy against the Indochinese peoples."

8. Condemned "the North American imperialists' blockade on Cuba."

Another resolution read in part:

"North American imperialism is at the fore of the imperialists' aggressive policy. The most desperate actions against peoples, as in Vietnam and the Dominican Republic, lie at the door of the Yankee imperialists. North American states girdle the globe. Aggressive pacts in which the United States is the leading power cover every continent and sea. The United States is found behind every aggressive action committed by the other imperialists."

Another resolution read:

"This conference is convinced that, in view of the imperialists' violence, the peoples of the three continents must reply with revolutionary violence. The latter (people's) must make use of all the most vigorous forms of struggle, among which armed battle is one of the higher forms to obtain final victory."

The resolution dealing with Vietnam said:

"The conference sets forth clearly that to the imperialist tactic of limited wars the effective reply is the development of liberation wars in every region where conditions are ripe. The best example is Vietnam, where the United States by stepping up its intervention is creating the conditions for a more complete defeat later."

Again Vietnam was dealt with in these terms:

"It is necessary to multiply solidarity with the Vietnamese people throughout the world and support their heroic battle in every manner, even by sending armed volunteers if that be necessary. * * * The conference supports the four points laid down by the Government of the Democratic Republic of Vietnam and the five points stated by the South Vietnam National Liberation Front, and calls on all peoples to struggle to see this applied as the sole settlement for the Vietnamese case. Defense of the Vietnamese people's just cause has become a central task for the revolutionary strategy of the peoples of Africa, Asia, and Latin America."

A resolution on Puerto Rico said in part:

"Puerto Rico remains occupied by U.S. imperialism, which not only denies her the right to independence, but has converted her into an enormous military base that includes atomic weapons."

Another resolution stressed the importance of Cuba:

"Special mention is due solidarity with Cuba, whose people are defending and carrying forward a revolution only ninety miles from the United States. Her choice as the site of the first solidarity conference of the peoples of Africa, Asia, and Latin America is the highest recognition of the importance of her revolution and the significance it has for the peoples of the three continents. Cuba,

because of her relatively small size, her geographical position near the United States and in a zone surrounded by Governments which are puppets of the Yankee imperialists * * * proves with her revolution, triumphing over all aggressions perpetrated or fomented by the United States, that * * * revolution is possible and invincible."

A resolution on the Panama Canal Zone said:

"The Panama Canal Zone is being used as a base for attack on peoples fighting for their liberation, it forms the Caribbean triangle with the military bases at Guantanamo and on Puerto Rico. This is done against the will of the Panamanian, people."

The resolution on the United Nations denounced it as being manipulated by the United States.

The Conference's "Declaration on the OAS" said:

"That the Organization of American States has no legal or moral authority to represent the Latin American nations. That the only organization that will be able to represent Latin America will be the one composed of the democratic and anti-imperialist governments that are the genuine product of the sovereign will of the Latin American peoples."

The Conference proposed:

"That the revolutionary movements of Colombia, Venezuela, Peru, Panama, Ecuador, and others in the Caribbean area and southern part of the hemisphere take prompt steps to make a joint study of this military situation, with a view to finding means to counteract the effects of this aggressive attitude of imperialism."

* * * * *

The Conference resolved:

"To give the most determined support to the revolutionary movements of Colombia, Venezuela, Peru, Panama, Ecuador, and other countries of the Caribbean area and the southern part of the hemisphere in order to respond to the overall aggressive policy of U.S. imperialism with the most effective measures to counteract its effects.

"To denounce before all the countries of the three continents the Yankee intervention in the armed struggles of Colombia, Venezuela, and Peru, and to promote the militant solidarity of the combatants of those countries with each other and with the peoples of the continents in the great battle for national liberation.

"To give decisive support, in all forms, to the armed struggle undertaken in Peru, the path valiantly chosen by the Peruvian people to achieve its definitive and total economic and political independence."

Such was the atmosphere and the general political character of the Tricontinental Conference in Havana.

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